

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 27, 2017
Date

Honorable Dan Patrick
President of the Senate

Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on SB 715 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

[Signature]
SEN. CAMPBELL
[Signature]
SEN. CREIGHTON

[Signature]
SEN. HUFFINES
[Signature]
SEN. NICHOLS

[Signature]
On the part of the Senate

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
On the part of the House

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

3rd Printing

S.B. No. 715

A BILL TO BE ENTITLED

AN ACT

relating to municipal annexation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 43.002, Local Government Code, is amended by adding Subsection (e) to read as follows:

(e) Notwithstanding Subsection (c) and until the 20th anniversary of the date of the annexation of an area that includes a permanent retail structure, a municipality may not prohibit a person from continuing to use the structure for the indoor seasonal sale of retail goods if the structure:

(1) is more than 5,000 square feet; and

(2) was authorized under the laws of this state to be used for the indoor seasonal sale of retail goods on the effective date of the annexation.

SECTION 2. Section 43.021, Local Government Code, is transferred to Subchapter A, Chapter 43, Local Government Code, redesignated as Section 43.003, Local Government Code, and amended to read as follows:

Sec. 43.003 [~~43.021~~]. AUTHORITY OF HOME-RULE MUNICIPALITY TO ANNEX AREA AND TAKE OTHER ACTIONS REGARDING BOUNDARIES. A home-rule municipality may take the following actions according to rules as may be provided by the charter of the municipality and not inconsistent with the requirements [~~procedural rules~~] prescribed by this chapter:

(1) fix the boundaries of the municipality;

(2) extend the boundaries of the municipality and annex area adjacent to the municipality; and

(3) exchange area with other municipalities.

SECTION 3. Chapter 43, Local Government Code, is amended by adding Subchapter A-1 to read as follows:

SUBCHAPTER A-1. GENERAL AUTHORITY TO ANNEX

Sec. 43.011. APPLICABILITY. This subchapter applies to:

(1) a municipality wholly located in one or more counties each with a population of less than 500,000; and

(2) notwithstanding Subchapter C-4 or C-5:

(A) a municipality wholly or partly located in a county with a population of 500,000 or more; and

(B) a municipality described by Subdivision (1) that proposes to annex an area in a county with a population of 500,000 or more.

Sec. 43.0115. AUTHORITY OF CERTAIN MUNICIPALITIES TO ANNEX ENCLAVES. (a) This section applies only to a municipality that:

(1) is wholly or partly located in a county in which a majority of the population of two or more municipalities, each with a population of 300,000 or more, are located; and

(2) proposes to annex an area that:

(A) is wholly surrounded by a municipality and within the municipality's extraterritorial jurisdiction; and

(B) has fewer than 100 dwelling units.

(b) Notwithstanding any other law, the governing body of a municipality by ordinance may annex an area without the consent of

1 any of the residents of, voters of, or owners of land in the area
2 under the procedures prescribed by Subchapter C-1.

3 SECTION 4. Section 43.026, Local Government Code, is
4 transferred to Subchapter A-1, Chapter 43, Local Government Code,
5 as added by this Act, redesignated as Section 43.012, Local
6 Government Code, and amended to read as follows:

7 Sec. 43.012 [~~43.026~~]. AUTHORITY OF TYPE A GENERAL-LAW
8 MUNICIPALITY TO ANNEX AREA IT OWNS. The governing body of a Type A
9 general-law municipality by ordinance may annex area that the
10 municipality owns under the procedures prescribed by Subchapter
11 C-1. The ordinance must describe the area by metes and bounds and
12 must be entered in the minutes of the governing body.

13 SECTION 5. Section 43.027, Local Government Code, is
14 transferred to Subchapter A-1, Chapter 43, Local Government Code,
15 as added by this Act, redesignated as Section 43.013, Local
16 Government Code, and amended to read as follows:

17 Sec. 43.013 [~~43.027~~]. AUTHORITY OF [~~GENERAL-LAW~~]
18 MUNICIPALITY TO ANNEX NAVIGABLE STREAM. The governing body of a
19 [~~general-law~~] municipality by ordinance may annex any navigable
20 stream adjacent to the municipality and within the municipality's
21 extraterritorial jurisdiction under the procedures prescribed by
22 Subchapter C-1.

23 SECTION 6. Section 43.051, Local Government Code, is
24 transferred to Subchapter A-1, Chapter 43, Local Government Code,
25 as added by this Act, and redesignated as Section 43.014, Local
26 Government Code, to read as follows:

27 Sec. 43.014 [~~43.051~~]. AUTHORITY TO ANNEX LIMITED TO

1 EXTRATERRITORIAL JURISDICTION. A municipality may annex area only
2 in its extraterritorial jurisdiction unless the municipality owns
3 the area.

4 SECTION 7. Section 43.031, Local Government Code, is
5 transferred to Subchapter A-1, Chapter 43, Local Government Code,
6 as added by this Act, and redesignated as Section 43.015, Local
7 Government Code, to read as follows:

8 Sec. 43.015 [~~43.031~~]. AUTHORITY OF ADJACENT MUNICIPALITIES
9 TO CHANGE BOUNDARIES BY AGREEMENT. Adjacent municipalities may
10 make mutually agreeable changes in their boundaries of areas that
11 are less than 1,000 feet in width.

12 SECTION 8. Section 43.035, Local Government Code, is
13 transferred to Subchapter A-1, Chapter 43, Local Government Code,
14 as added by this Act, redesignated as Section 43.016, Local
15 Government Code, and amended to read as follows:

16 Sec. 43.016 [~~43.035~~]. AUTHORITY OF MUNICIPALITY TO ANNEX
17 AREA QUALIFIED FOR AGRICULTURAL OR WILDLIFE MANAGEMENT USE OR AS
18 TIMBER LAND. (a) This section applies only to an area:

19 (1) eligible to be the subject of a development
20 agreement under Subchapter G, Chapter 212; and

21 (2) appraised for ad valorem tax purposes as land for
22 agricultural or wildlife management use under Subchapter C or D,
23 Chapter 23, Tax Code, or as timber land under Subchapter E of that
24 chapter.

25 (b) A municipality may not annex an area to which this
26 section applies unless:

27 (1) the municipality offers to make a development

1 agreement with the landowner under Section 212.172 that would:

2 (A) guarantee the continuation of the
3 extraterritorial status of the area; and

4 (B) authorize the enforcement of all regulations
5 and planning authority of the municipality that do not interfere
6 with the use of the area for agriculture, wildlife management, or
7 timber; and

8 (2) the landowner declines to make the agreement
9 described by Subdivision (1).

10 (c) For purposes of Section 43.003(2) [~~43.021(2)~~] or
11 another law, including a municipal charter or ordinance, relating
12 to municipal authority to annex an area adjacent to the
13 municipality, an area adjacent or contiguous to an area that is the
14 subject of a development agreement described by Subsection (b)(1)
15 is considered adjacent or contiguous to the municipality.

16 (d) A provision of a development agreement described by
17 Subsection (b)(1) that restricts or otherwise limits the annexation
18 of all or part of the area that is the subject of the agreement is
19 void if the landowner files any type of subdivision plat or related
20 development document for the area with a governmental entity that
21 has jurisdiction over the area, regardless of how the area is
22 appraised for ad valorem tax purposes.

23 (e) A development agreement described by Subsection (b)(1)
24 is not a permit for purposes of Chapter 245.

25 SECTION 9. Section 43.037, Local Government Code, is
26 transferred to Subchapter A-1, Chapter 43, Local Government Code,
27 as added by this Act, redesignated as Section 43.017, Local

Government Code, and amended to read as follows:

Sec. 43.017 [~~43.037~~]. PROHIBITION AGAINST ANNEXATION TO SURROUND MUNICIPALITY IN CERTAIN COUNTIES. (a) A municipality with a population of more than 175,000 located in a county that contains an international border and borders the Gulf of Mexico may not annex an area that would cause another municipality to be entirely surrounded by the corporate limits or extraterritorial jurisdiction of the annexing municipality.

(b) A municipality described by Subsection (a) to which Section 42.0235 applies and a neighboring municipality may waive Subsection (a) or Section 42.0235 if the governing body of each municipality adopts, on or after June 1, 2017, a resolution stating that the applicable section is waived.

SECTION 10. The heading to Subchapter B, Chapter 43, Local Government Code, is amended to read as follows:

SUBCHAPTER B. GENERAL AUTHORITY TO ANNEX: MUNICIPALITIES WHOLLY LOCATED IN COUNTIES WITH POPULATION OF LESS THAN 500,000

SECTION 11. Subchapter B, Chapter 43, Local Government Code, is amended by adding Section 43.0205 to read as follows:

Sec. 43.0205. APPLICABILITY. (a) Except as provided by Subsection (b), this subchapter applies only to a municipality wholly located in one or more counties each with a population of less than 500,000.

(b) This subchapter does not apply to a municipality described by Subsection (a) that proposes to annex an area in a county with a population of 500,000 or more.

SECTION 12. The heading to Subchapter C, Chapter 43, Local

Government Code, is amended to read as follows:

SUBCHAPTER C. ANNEXATION PROCEDURE FOR AREAS ANNEXED UNDER
MUNICIPAL ANNEXATION PLAN: MUNICIPALITIES WHOLLY LOCATED IN
COUNTIES WITH POPULATION OF LESS THAN 500,000

SECTION 13. Subchapter C, Chapter 43, Local Government Code, is amended by adding Section 43.0505 to read as follows:

Sec. 43.0505. APPLICABILITY. (a) Except as provided by Subsection (b), this subchapter applies only to a municipality wholly located in one or more counties each with a population of less than 500,000.

(b) Unless otherwise specifically provided by this chapter, this subchapter does not apply to:

(1) a municipality wholly or partly located in a county with a population of 500,000 or more; or

(2) a municipality described by Subsection (a) that proposes to annex an area in a county with a population of 500,000 or more.

SECTION 14. Section 43.052(h), Local Government Code, is amended to read as follows:

(h) This section does not apply to an area proposed for annexation if:

(1) the area contains fewer than 100 separate tracts of land on which one or more residential dwellings are located on each tract;

(2) the area will be annexed by petition of more than 50 percent of the real property owners in the area proposed for annexation or by vote or petition of the qualified voters or real

property owners as provided by Subchapter B;

(3) the area is or was the subject of:

(A) an industrial district contract under Section 42.044; or

(B) a strategic partnership agreement under Section 43.0751;

(4) the area is located in a colonia, as that term is defined by Section 2306.581, Government Code;

(5) the area is annexed under Section 43.012, 43.013, 43.015 [~~43.026, 43.027~~], or 43.029[~~, or 43.031~~];

(6) the area is located completely within the boundaries of a closed military installation; or

(7) the municipality determines that the annexation of the area is necessary to protect the area proposed for annexation or the municipality from:

(A) imminent destruction of property or injury to persons; or

(B) a condition or use that constitutes a public or private nuisance as defined by background principles of nuisance and property law of this state.

SECTION 15. Section 43.054(a), Local Government Code, is amended to read as follows:

(a) A municipality [~~with a population of less than 1.6 million~~] may not annex a publicly or privately owned area, including a strip of area following the course of a road, highway, river, stream, or creek, unless the width of the area at its narrowest point is at least 1,000 feet.

SECTION 16. Sections 43.056(1) and (n), Local Government Code, are amended to read as follows:

(1) A service plan is valid for 10 years. Renewal of the service plan is at the discretion of the municipality. ~~[A person residing or owning land in an annexed area in a municipality with a population of 1.6 million or more may enforce a service plan by petitioning the municipality for a change in policy or procedures to ensure compliance with the service plan. If the municipality fails to take action with regard to the petition, the petitioner may request arbitration of the dispute under Section 43.0565.]~~ A person residing or owning land in an annexed area ~~[in a municipality with a population of less than 1.6 million]~~ may enforce a service plan by applying for a writ of mandamus not later than the second anniversary of the date the person knew or should have known that the municipality was not complying with the service plan. If a writ of mandamus is applied for, the municipality has the burden of proving that the services have been provided in accordance with the service plan in question. If a court issues a writ under this subsection, the court:

(1) must provide the municipality the option of disannexing the area within a reasonable period specified by the court;

(2) may require the municipality to comply with the service plan in question before a reasonable date specified by the court if the municipality does not disannex the area within the period prescribed by the court under Subdivision (1);

(3) may require the municipality to refund to the

landowners of the annexed area money collected by the municipality from those landowners for services to the area that were not provided;

(4) may assess a civil penalty against the municipality, to be paid to the state in an amount as justice may require, for the period in which the municipality is not in compliance with the service plan;

(5) may require the parties to participate in mediation; and

(6) may require the municipality to pay the person's costs and reasonable attorney's fees in bringing the action for the writ.

(n) Before the second anniversary of the date an area is included within the corporate boundaries of a municipality by annexation, the municipality may not:

(1) prohibit the collection of solid waste in the area by a privately owned solid waste management service provider; or

(2) offer ~~impose a fee for~~ solid waste management services in the area unless a privately owned solid waste management service provider is unavailable ~~[on a person who continues to use the services of a privately owned solid waste management service provider]~~.

SECTION 17. Section 43.0562(a), Local Government Code, is amended to read as follows:

(a) After holding the hearings as provided by Section 43.0561:

(1) ~~[if a municipality has a population of less than~~

1 ~~1.6 million,~~] the municipality and the property owners of the area
2 proposed for annexation shall negotiate for the provision of
3 services to the area after annexation or for the provision of
4 services to the area in lieu of annexation under Section 43.0563; or

5 (2) if a municipality proposes to annex a special
6 district, as that term is defined by Section 43.052, the
7 municipality and the governing body of the district shall negotiate
8 for the provision of services to the area after annexation or for
9 the provision of services to the area in lieu of annexation under
10 Section 43.0751.

11 SECTION 18. Section 43.0563(a), Local Government Code, is
12 amended to read as follows:

13 (a) The governing body of a municipality [~~with a population~~
14 ~~of less than 1.6 million~~] may negotiate and enter into a written
15 agreement for the provision of services and the funding of the
16 services in an area with:

17 (1) representatives designated under Section
18 43.0562(b), if the area is included in the municipality's
19 annexation plan; or

20 (2) an owner of an area within the extraterritorial
21 jurisdiction of the municipality if the area is not included in the
22 municipality's annexation plan.

23 SECTION 19. The heading to Subchapter C-1, Chapter 43,
24 Local Government Code, is amended to read as follows:

25 SUBCHAPTER C-1. ANNEXATION PROCEDURE FOR AREAS EXEMPTED FROM

26 MUNICIPAL ANNEXATION PLAN: MUNICIPALITIES WHOLLY LOCATED IN

27 COUNTIES WITH POPULATION OF LESS THAN 500,000

SECTION 20. Section 43.061, Local Government Code, is amended to read as follows:

Sec. 43.061. APPLICABILITY. (a) Except as provided by Subsection (b), this [This] subchapter applies only to an area that is proposed for annexation by a municipality wholly located in one or more counties each with a population of less than 500,000 and that is not required to be included in a municipal annexation plan under Section 43.052(h) [43.052].

(b) Unless otherwise specifically provided by this chapter, this subchapter does not apply to an area that is proposed for annexation by:

(1) a municipality wholly or partly located in a county with a population of 500,000 or more; or

(2) a municipality described by Subsection (a) that proposes to annex an area in a county with a population of 500,000 or more.

SECTION 21. Section 43.062(a), Local Government Code, is amended to read as follows:

(a) Sections ~~[43.051,]~~ 43.054, 43.0545, 43.055, ~~[43.0565, 43.0567,]~~ and 43.057 apply to the annexation of an area to which this subchapter applies.

SECTION 22. Section 43.064, Local Government Code, is amended to read as follows:

Sec. 43.064. PERIOD FOR COMPLETION OF ANNEXATION~~[+ EFFECTIVE DATE]~~. ~~[(a)]~~ The annexation of an area must be completed within 90 days after the date the governing body institutes the annexation proceedings or those proceedings are void. Any period

during which the municipality is restrained or enjoined by a court from annexing the area is not included in computing the 90-day period.

~~[(b) Notwithstanding any provision of a municipal charter to the contrary, the governing body of a municipality with a population of 1.6 million or more may provide that an annexation take effect on any date within 90 days after the date of the adoption of the ordinance providing for the annexation.]~~

SECTION 23. Chapter 43, Local Government Code, is amended by adding Subchapter C-2 to read as follows:

SUBCHAPTER C-2. GENERAL ANNEXATION AUTHORITY AND PROCEDURES:
MUNICIPALITIES WHOLLY OR PARTLY LOCATED IN COUNTY WITH POPULATION
OF 500,000 OR MORE

Sec. 43.066. APPLICABILITY. This subchapter applies only to:

(1) a municipality wholly or partly located in a county with a population of 500,000 or more; and

(2) a municipality wholly located in one or more counties each with a population of less than 500,000 that proposes to annex an area in a county with a population of 500,000 or more.

Sec. 43.0661. PROVISION OF CERTAIN SERVICES TO ANNEXED AREA. (a) This section applies only to a municipality that includes solid waste collection services in the list of services that will be provided in the area proposed for annexation on or before the second anniversary of the effective date of the annexation of the area under a written agreement under Section 43.0672 or a resolution under Section 43.0682 or 43.0692.

1 (b) A municipality is not required to provide solid waste
2 collection services to a person who continues to use the services of
3 a privately owned solid waste management service provider as
4 provided by Subsection (c).

5 (c) Before the second anniversary of the effective date of
6 the annexation of an area, a municipality may not:

7 (1) prohibit the collection of solid waste in the area
8 by a privately owned solid waste management service provider; or

9 (2) offer solid waste management services in the area
10 unless a privately owned solid waste management service provider is
11 unavailable.

12 Sec. 43.0663. EFFECT ON OTHER LAW. Subchapters C-3 through
13 C-5 do not affect the procedures described by Section 397.005 or
14 397.006 applicable to a defense community as defined by Section
15 397.001.

16 SECTION 24. Section 43.030, Local Government Code, is
17 transferred to Subchapter C-2, Chapter 43, Local Government Code,
18 as added by this Act, redesignated as Section 43.0662, Local
19 Government Code, and amended to read as follows:

20 Sec. 43.0662 [~~43.030~~]. AUTHORITY OF MUNICIPALITY WITH
21 POPULATION OF 74,000 TO 99,700 IN URBAN COUNTY TO ANNEX SMALL,
22 SURROUNDED GENERAL-LAW MUNICIPALITY. (a) Notwithstanding
23 Subchapter C-4 or C-5, a [A] municipality that has a population of
24 74,000 to 99,700, that is located wholly or partly in a county with
25 a population of more than 1.8 million, and that completely
26 surrounds and is contiguous to a general-law municipality with a
27 population of less than 600, may annex the general-law municipality

1 as provided by this section.

2 (b) The governing body of the smaller municipality may adopt
3 an ordinance ordering an election on the question of consenting to
4 the annexation of the smaller municipality by the larger
5 municipality. The governing body of the smaller municipality shall
6 adopt the ordinance if it receives a petition to do so signed by a
7 number of qualified voters of the municipality equal to at least 10
8 percent of the number of voters of the municipality who voted in the
9 most recent general election. If the ordinance ordering the
10 election is to be adopted as a result of a petition, the ordinance
11 shall be adopted within 30 days after the date the petition is
12 received.

13 (c) The ordinance ordering the election must provide for the
14 submission of the question at an election to be held on the first
15 uniform election date prescribed by Chapter 41, Election Code, that
16 occurs after the 30th day after the date the ordinance is adopted
17 and that affords enough time to hold the election in the manner
18 required by law.

19 (d) Within 10 days after the date on which the election is
20 held, the governing body of the smaller municipality shall canvass
21 the election returns and by resolution shall declare the results of
22 the election. If a majority of the votes received is in favor of the
23 annexation, the secretary of the smaller municipality or other
24 appropriate municipal official shall forward by certified mail to
25 the secretary of the larger municipality a certified copy of the
26 resolution.

27 (e) The larger municipality, within 90 days after the date

1 the resolution is received, must complete the annexation by
2 ordinance in accordance with its municipal charter or the general
3 laws of the state. If the annexation is not completed within the
4 90-day period, any annexation proceeding is void and the larger
5 municipality may not annex the smaller municipality under this
6 section. However, the failure to complete the annexation as
7 provided by this subsection does not prevent the smaller
8 municipality from holding a new election on the question to enable
9 the larger municipality to annex the smaller municipality as
10 provided by this section.

11 (f) If the larger municipality completes the annexation
12 within the prescribed period, the incorporation of the smaller
13 municipality is abolished. The records, public property, public
14 buildings, money on hand, credit accounts, and other assets of the
15 smaller municipality become the property of the larger municipality
16 and shall be turned over to the officers of that municipality. The
17 offices in the smaller municipality are abolished and the persons
18 holding those offices are not entitled to further remuneration or
19 compensation. All outstanding liabilities of the smaller
20 municipality are assumed by the larger municipality.

21 (g) In the annexation ordinance, the larger municipality
22 shall adopt, for application in the area zoned by the smaller
23 municipality, the identical comprehensive zoning ordinance that
24 the smaller municipality applied to the area at the time of the
25 election. Any attempted annexation of the smaller municipality
26 that does not include the adoption of that comprehensive zoning
27 ordinance is void. That comprehensive zoning ordinance may not be

1 repealed or amended for a period of 10 years unless the written
2 consent of the landowners who own at least two-thirds of the surface
3 land of the annexed smaller municipality is obtained.

4 (h) If the annexed smaller municipality has on hand any bond
5 funds for public improvements that are not appropriated or
6 contracted for, the funds shall be kept in a separate special fund
7 to be used only for public improvements in the area for which the
8 bonds were voted.

9 (i) On the annexation, all claims, fines, debts, or taxes
10 due and payable to the smaller municipality become due and payable
11 to the larger municipality and shall be collected by it. If taxes
12 for the year in which the annexation occurs have been assessed in
13 the smaller municipality before the annexation, the amounts
14 assessed remain as the amounts due and payable from the inhabitants
15 of the smaller municipality for that year.

16 (j) This section does not affect a charter provision of a
17 home-rule municipality. This section grants additional power to
18 the municipality and is cumulative of the municipal charter.

19 SECTION 25. Chapter 43, Local Government Code, is amended
20 by adding Subchapters C-3, C-4, and C-5 to read as follows:

21 SUBCHAPTER C-3. ANNEXATION OF AREA ON REQUEST OF OWNERS:

22 MUNICIPALITIES WHOLLY OR PARTLY LOCATED IN COUNTY WITH POPULATION
23 OF 500,000 OR MORE

24 Sec. 43.067. APPLICABILITY. This subchapter applies only
25 to a municipality to which Subchapter C-2 applies.

26 Sec. 43.0671. AUTHORITY TO ANNEX AREA ON REQUEST OF OWNERS.
27 Notwithstanding Subchapter C-4 or C-5, a municipality may annex an

1 area if each owner of land in the area requests the annexation.

2 Sec. 43.0672. WRITTEN AGREEMENT REGARDING SERVICES. (a)

3 The governing body of the municipality that elects to annex an area
4 under this subchapter must first negotiate and enter into a written
5 agreement with the owners of land in the area for the provision of
6 services in the area.

7 (b) The agreement must include:

8 (1) a list of each service the municipality will
9 provide on the effective date of the annexation; and

10 (2) a schedule that includes the period within which
11 the municipality will provide each service that is not provided on
12 the effective date of the annexation.

13 (c) The municipality is not required to provide a service
14 that is not included in the agreement.

15 Sec. 43.0673. PUBLIC HEARINGS. (a) Before a municipality
16 may adopt an ordinance annexing an area under this section, the
17 governing body of the municipality must conduct at least two public
18 hearings.

19 (b) The hearings must be conducted not less than 10 business
20 days apart.

21 (c) During the first public hearing, the governing body must
22 provide persons interested in the annexation the opportunity to be
23 heard. During the final public hearing, the governing body may
24 adopt an ordinance annexing the area.

25 (d) The municipality must post notice of the hearings on the
26 municipality's Internet website if the municipality has an Internet
27 website and publish notice of the hearings in a newspaper of general

1 circulation in the municipality and in the area proposed for
2 annexation. The notice for each hearing must be published at least
3 once on or after the 20th day but before the 10th day before the date
4 of the hearing. The notice for each hearing must be posted on the
5 municipality's Internet website on or after the 20th day but before
6 the 10th day before the date of the hearing and must remain posted
7 until the date of the hearing.

8 SUBCHAPTER C-4. ANNEXATION OF AREAS WITH POPULATION OF LESS THAN
9 200: MUNICIPALITIES WHOLLY OR PARTLY LOCATED IN COUNTY WITH
10 POPULATION OF 500,000 OR MORE

11 Sec. 43.068. APPLICABILITY. This subchapter applies only
12 to a municipality to which Subchapter C-2 applies.

13 Sec. 43.0681. AUTHORITY TO ANNEX. A municipality may annex
14 an area with a population of less than 200 only if the municipality
15 obtains consent to annex the area through a petition signed by more
16 than 50 percent of the registered voters of the area.

17 Sec. 43.0682. RESOLUTION. The governing body of the
18 municipality that proposes to annex an area under this subchapter
19 must adopt a resolution that includes:

20 (1) a statement of the municipality's intent to annex
21 the area;

22 (2) a detailed description and map of the area;

23 (3) a description of each service to be provided by the
24 municipality in the area on or after the effective date of the
25 annexation, including, as applicable:

26 (A) police protection;

27 (B) fire protection;

1 (C) emergency medical services;

2 (D) solid waste collection;

3 (E) operation and maintenance of water and
4 wastewater facilities in the annexed area;

5 (F) operation and maintenance of roads and
6 streets, including road and street lighting;

7 (G) operation and maintenance of parks,
8 playgrounds, and swimming pools; and

9 (H) operation and maintenance of any other
10 publicly owned facility, building, or service;

11 (4) a list of each service the municipality will
12 provide on the effective date of the annexation; and

13 (5) a schedule that includes the period within which
14 the municipality will provide each service that is not provided on
15 the effective date of the annexation.

16 Sec. 43.0683. NOTICE OF PROPOSED ANNEXATION. Not later
17 than the seventh day after the date the governing body of the
18 municipality adopts the resolution under Section 43.0682, the
19 municipality must mail to each resident in the area proposed to be
20 annexed notification of the proposed annexation that includes:

21 (1) notice of the public hearing required by Section
22 43.0684;

23 (2) an explanation of the 180-day petition period
24 described by Section 43.0685; and

25 (3) a description, list, and schedule of services to
26 be provided by the municipality in the area on or after annexation
27 as provided by Section 43.0682.

1 Sec. 43.0684. PUBLIC HEARING. The governing body of a
2 municipality must conduct at least one public hearing not earlier
3 than the 21st day and not later than the 30th day after the date the
4 governing body adopts the resolution under Section 43.0682.

5 Sec. 43.0685. PETITION. (a) The petition required by
6 Section 43.0681 may be signed only by a registered voter of the area
7 proposed to be annexed.

8 (b) The municipality may collect signatures on the petition
9 only during the period beginning on the 31st day after the date the
10 governing body of the municipality adopts the resolution under
11 Section 43.0682 and ending on the 180th day after the date the
12 resolution is adopted.

13 (c) The petition must clearly state that a person signing
14 the petition is consenting to the proposed annexation.

15 (d) The petition must include a map of and describe the area
16 proposed to be annexed.

17 (e) Signatures collected on the petition must be in writing.

18 (f) Chapter 277, Election Code, applies to a petition under
19 this section.

20 Sec. 43.0686. RESULTS OF PETITION. (a) When the petition
21 period prescribed by Section 43.0685 ends, the petition shall be
22 verified by the municipal secretary or other person responsible for
23 verifying signatures. The municipality must notify the residents
24 of the area proposed to be annexed of the results of the petition.

25 (b) If the municipality does not obtain the number of
26 signatures on the petition required to annex the area, the
27 municipality may not annex the area and may not adopt another

1 resolution under Section 43.0682 to annex the area until the first
2 anniversary of the date the petition period ended.

3 (c) If the municipality obtains the number of signatures on
4 the petition required to annex the area, the municipality may annex
5 the area after:

6 (1) providing notice under Subsection (a);

7 (2) holding a public hearing at which members of the
8 public are given an opportunity to be heard; and

9 (3) holding a final public hearing not earlier than
10 the 10th day after the date of the public hearing under Subdivision
11 (2) at which the ordinance annexing the area may be adopted.

12 Sec. 43.0687. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON
13 PETITION. If a petition protesting the annexation of an area under
14 this subchapter is signed by a number of registered voters of the
15 municipality proposing the annexation equal to at least 50 percent
16 of the number of voters who voted in the most recent municipal
17 election and is received by the secretary of the municipality
18 before the date the petition period prescribed by Section 43.0685
19 ends, the municipality may not complete the annexation of the area
20 without approval of a majority of the voters of the municipality
21 voting at an election called and held for that purpose.

22 Sec. 43.0688. RETALIATION FOR ANNEXATION DISAPPROVAL
23 PROHIBITED. (a) The disapproval of the proposed annexation of an
24 area under this subchapter does not affect any existing legal
25 obligation of the municipality proposing the annexation to continue
26 to provide governmental services in the area, including water or
27 wastewater services.

1 (b) The municipality may not initiate a rate proceeding
2 solely because of the disapproval of a proposed annexation of an
3 area under this subchapter.

4 SUBCHAPTER C-5. ANNEXATION OF AREAS WITH POPULATION OF AT LEAST
5 200: MUNICIPALITIES WHOLLY OR PARTLY LOCATED IN COUNTY WITH
6 POPULATION OF 500,000 OR MORE

7 Sec. 43.069. APPLICABILITY. This subchapter applies only
8 to a municipality to which Subchapter C-2 applies.

9 Sec. 43.0691. AUTHORITY TO ANNEX. (a) A municipality may
10 annex an area with a population of 200 or more only if the following
11 conditions are met, as applicable:

12 (1) the municipality holds an election in the area
13 proposed to be annexed at which the qualified voters of the area may
14 vote on the question of the annexation and a majority of the votes
15 received at the election approve the annexation; and

16 (2) if the registered voters of the area do not own
17 more than 50 percent of the land in the area, the municipality
18 obtains consent to annex the area through a petition signed by more
19 than 50 percent of the owners of land in the area.

20 (b) In addition to the conditions under Subsection (a), a
21 municipality with a population of 1.8 million or more may annex an
22 area described by Subsection (a) only if the municipality provides
23 full municipal police and fire services to the area on the date the
24 area is annexed.

25 Sec. 43.0692. RESOLUTION. The governing body of the
26 municipality that proposes to annex an area under this subchapter
27 must adopt a resolution that includes:

(1) a statement of the municipality's intent to annex the area;

(2) a detailed description and map of the area;

(3) a description of each service to be provided by the municipality in the area on or after the effective date of the annexation, including, as applicable:

(A) police protection;

(B) fire protection;

(C) emergency medical services;

(D) solid waste collection;

(E) operation and maintenance of water and wastewater facilities in the annexed area;

(F) operation and maintenance of roads and streets, including road and street lighting;

(G) operation and maintenance of parks, playgrounds, and swimming pools; and

(H) operation and maintenance of any other publicly owned facility, building, or service;

(4) a list of each service the municipality will provide on the effective date of the annexation; and

(5) a schedule that includes the period within which the municipality will provide each service that is not provided on the effective date of the annexation.

Sec. 43.0693. NOTICE OF PROPOSED ANNEXATION. Not later than the seventh day after the date the governing body of the municipality adopts the resolution under Section 43.0692, the municipality must mail to each property owner in the area proposed

1 to be annexed notification of the proposed annexation that
2 includes:

3 (1) notice of the public hearings required by Section
4 43.0694;

5 (2) notice that an election on the question of
6 annexing the area will be held; and

7 (3) a description, list, and schedule of services to
8 be provided by the municipality in the area on or after annexation
9 as provided by Section 43.0692.

10 Sec. 43.0694. PUBLIC HEARINGS. (a) The governing body of a
11 municipality must conduct an initial public hearing not earlier
12 than the 21st day and not later than the 30th day after the date the
13 governing body adopts the resolution under Section 43.0692.

14 (b) The governing body must conduct at least one additional
15 public hearing not earlier than the 31st day and not later than the
16 90th day after the date the governing body adopts a resolution under
17 Section 43.0692.

18 Sec. 43.0695. PROPERTY OWNER CONSENT REQUIRED FOR CERTAIN
19 AREAS. (a) If the registered voters in the area proposed to be
20 annexed do not own more than 50 percent of the land in the area, the
21 municipality must obtain consent to the annexation through a
22 petition signed by more than 50 percent of the owners of land in the
23 area in addition to the election required by this subchapter.

24 (b) The municipality must obtain the consent required by
25 this section through the petition process prescribed by Section
26 43.0685, and the petition must be verified in the manner provided by
27 Section 43.0686(a).

1 (c) Notwithstanding Section 43.0685(e), the municipality
2 may provide for an owner of land in the area that is not a resident
3 of the area to sign the petition electronically.

4 Sec. 43.0696. ELECTION. (a) A municipality shall order an
5 election on the question of annexing an area to be held on the first
6 uniform election date that falls on or after:

7 (1) the 90th day after the date the governing body of
8 the municipality adopts the resolution under Section 43.0692; or

9 (2) if the consent of the owners of land in the area is
10 required under Section 43.0695, the 78th day after the date the
11 petition period to obtain that consent ends.

12 (b) An election under this section shall be held in the same
13 manner as general elections of the municipality. The municipality
14 shall pay for the costs of holding the election.

15 (c) A municipality that holds an election under this section
16 may not hold another election on the question of annexation before
17 the corresponding uniform election date of the following year.

18 Sec. 43.0697. RESULTS OF ELECTION AND PETITION. (a)
19 Following an election held under this subchapter, the municipality
20 must notify the residents of the area proposed to be annexed of the
21 results of the election and, if applicable, of the petition
22 required by Section 43.0695.

23 (b) If at the election held under this subchapter a majority
24 of qualified voters do not approve the proposed annexation, or if
25 the municipality is required to petition owners of land in the area
26 under Section 43.0695 and does not obtain the required number of
27 signatures, the municipality may not annex the area and may not

1 adopt another resolution under Section 43.0692 to annex the area
2 until the first anniversary of the date of the adoption of the
3 resolution.

4 (c) If at the election held under this subchapter a majority
5 of qualified voters approve the proposed annexation, and if the
6 municipality, as applicable, obtains the required number of
7 petition signatures under Section 43.0695, the municipality may
8 annex the area after:

- 9 (1) providing notice under Subsection (a);
10 (2) holding a public hearing at which members of the
11 public are given an opportunity to be heard; and
12 (3) holding a final public hearing not earlier than
13 the 10th day after the date of the public hearing under Subdivision
14 (2) at which the ordinance annexing the area may be adopted.

15 Sec. 43.0698. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON
16 PETITION. If a petition protesting the annexation of an area under
17 this subchapter is signed by a number of registered voters of the
18 municipality proposing the annexation equal to at least 50 percent
19 of the number of voters who voted in the most recent municipal
20 election and is received by the secretary of the municipality
21 before the date the election required by this subchapter is held,
22 the municipality may not complete the annexation of the area
23 without approval of a majority of the voters of the municipality
24 voting at a separate election called and held for that purpose.

25 Sec. 43.0699. RETALIATION FOR ANNEXATION DISAPPROVAL
26 PROHIBITED. (a) The disapproval of the proposed annexation of an
27 area under this subchapter does not affect any existing legal

1 obligation of the municipality proposing the annexation to continue
2 to provide governmental services in the area, including water or
3 wastewater services.

4 (b) The municipality may not initiate a rate proceeding
5 solely because of the disapproval of a proposed annexation of an
6 area under this subchapter.

7 SECTION 26. Subchapter D, Chapter 43, Local Government
8 Code, is amended by adding Section 43.0711 to read as follows:

9 Sec. 43.0711. LIMITATION ON AUTHORITY OF CERTAIN
10 MUNICIPALITIES. (a) This section applies only to:

11 (1) a municipality wholly or partly located in a
12 county with a population of 500,000 or more; and

13 (2) a municipality wholly located in one or more
14 counties each with a population of less than 500,000 that proposes
15 to annex an area in a county with a population of 500,000 or more.

16 (b) With respect to an industrial district designated by the
17 governing body of a municipality under Section 42.044, the
18 municipality may annex all or part of the district under the
19 requirements applicable to a municipality wholly located in one or
20 more counties each with a population of less than 500,000 that
21 proposes to annex an area wholly located in a county with a
22 population of less than 500,000.

23 SECTION 27. Sections 43.0715(b) and (c), Local Government
24 Code, are amended to read as follows:

25 (b) If a municipality with a population of less than 1.5
26 million annexes a special district for full or limited purposes and
27 the annexation precludes or impairs the ability of the district to

1 issue bonds, the municipality shall, prior to the effective date of
2 the annexation, pay in cash to the landowner or developer of the
3 district a sum equal to all actual costs and expenses incurred by
4 the landowner or developer in connection with the district that the
5 district has, in writing, agreed to pay and that would otherwise
6 have been eligible for reimbursement from bond proceeds under the
7 rules and requirements of the Texas ~~[Natural Resource Conservation]~~
8 Commission on Environmental Quality as such rules and requirements
9 exist on the date of annexation. ~~[For an annexation that is subject~~
10 ~~to preclearance by a federal authority, a payment will be~~
11 ~~considered timely if the municipality: (i) escrows the~~
12 ~~reimbursable amounts determined in accordance with Subsection (c)~~
13 ~~prior to the effective date of the annexation; and (ii)~~
14 ~~subsequently causes the escrowed funds and accrued interest to be~~
15 ~~disbursed to the developer within five business days after the~~
16 ~~municipality receives notice of the preclearance.]~~

17 (c) At the time notice of the municipality's intent to annex
18 the land within the district is first given ~~[published]~~ in
19 accordance with Section 43.052, 43.0683, or 43.0693, as applicable,
20 the municipality shall proceed to initiate and complete a report
21 for each developer conducted in accordance with the format approved
22 by the Texas ~~[Natural Resource Conservation]~~ Commission on
23 Environmental Quality for audits. In the event the municipality is
24 unable to complete the report prior to the effective date of the
25 annexation as a result of the developer's failure to provide
26 information to the municipality which cannot be obtained from other
27 sources, the municipality shall obtain from the district the

1 estimated costs of each project previously undertaken by a
2 developer which are eligible for reimbursement. The amount of such
3 costs, as estimated by the district, shall be escrowed by the
4 municipality for the benefit of the persons entitled to receive
5 payment in an insured interest-bearing account with a financial
6 institution authorized to do business in the state. To compensate
7 the developer for the municipality's use of the infrastructure
8 facilities pending the determination of the reimbursement amount
9 ~~[or federal preclearance]~~, all interest accrued on the escrowed
10 funds shall be paid to the developer whether or not the annexation
11 is valid. Upon placement of the funds in the escrow account, the
12 annexation may become effective. In the event a municipality
13 timely escrows all estimated reimbursable amounts as required by
14 this subsection and all such amounts, determined to be owed,
15 including interest, are subsequently disbursed to the developer
16 within five days of final determination in immediately available
17 funds as required by this section, no penalties or interest shall
18 accrue during the pendency of the escrow. Either the municipality
19 or developer may, by written notice to the other party, require
20 disputes regarding the amount owed under this section to be subject
21 to nonbinding arbitration in accordance with the rules of the
22 American Arbitration Association.

23 SECTION 28. Section 43.0751, Local Government Code, is
24 amended by amending Subsection (h) and adding Subsections (s) and
25 (t) to read as follows:

26 (h) On the full-purpose annexation conversion date set
27 forth in the strategic partnership agreement pursuant to Subsection

1 (f)(5) [~~(f)(5)(A)~~], the land included within the boundaries of the
2 district shall be deemed to be within the full-purpose boundary
3 limits of the municipality without the need for further action by
4 the governing body of the municipality. The full-purpose
5 annexation conversion date established by a strategic partnership
6 agreement may be altered only by mutual agreement of the district
7 and the municipality. However, nothing herein shall prevent the
8 municipality from terminating the agreement and instituting
9 proceedings to annex the district, on request by the governing body
10 of the district, on any date prior to the full-purpose annexation
11 conversion date established by the strategic partnership agreement
12 under the procedures applicable to a municipality wholly located in
13 one or more counties each with a population of less than 500,000
14 that proposes to annex an area wholly located in a county with a
15 population of less than 500,000. Land annexed for limited or full
16 purposes under this section shall not be included in calculations
17 prescribed by Section 43.055(a).

18 (s) Notwithstanding any other law and except as provided by
19 Subsection (t), the procedures prescribed by Subchapters C-3, C-4,
20 and C-5 do not apply to the annexation of an area under this
21 section. Except as provided by Subsections (h) and (t), a
22 municipality shall follow the procedures established under the
23 strategic partnership agreement for full-purpose annexation of an
24 area under this section.

25 (t) This subsection applies only to a municipality with a
26 population of less than 850,000 that is served by a municipally
27 owned electric utility with 400,000 or more customers and that is

1 wholly or partly located in a county with a population of 500,000 or
2 more. Notwithstanding the provisions of this section, a
3 municipality that annexes an area under a strategic partnership
4 agreement executed on or after September 1, 2009, must annex the
5 area in compliance with Subchapter C-3, C-4, or C-5.

6 SECTION 29. The heading to Section 43.101, Local Government
7 Code, is amended to read as follows:

8 Sec. 43.101. ANNEXATION OF MUNICIPALLY OWNED RESERVOIR [~~BY~~
9 ~~GENERAL-LAW MUNICIPALITY~~].

10 SECTION 30. Section 43.101(c), Local Government Code, is
11 amended to read as follows:

12 (c) The area may be annexed without the consent of any [the]
13 owners or residents of the area under the procedures applicable to a
14 municipality described by Subdivision (1) by:

15 (1) a municipality wholly located in one or more
16 counties each with a population of less than 500,000; and

17 (2) if there are no owners other than the municipality
18 or residents of the area:

19 (A) a municipality wholly or partly located in a
20 county with a population of 500,000 or more; and

21 (B) a municipality described by Subdivision (1)
22 that proposes to annex an area in a county with a population of
23 500,000 or more.

24 SECTION 31. Section 43.102(c), Local Government Code, is
25 amended to read as follows:

26 (c) The area may be annexed without the consent of any [the]
27 owners or residents of the area under the procedures applicable to a

1 municipality described by Subdivision (1) that proposes to annex an
2 area wholly located in a county with a population of less than
3 500,000 by:

4 (1) a municipality wholly located in one or more
5 counties each with a population of less than 500,000; and

6 (2) if there are no owners other than the municipality
7 or residents of the area:

8 (A) a municipality wholly or partly located in a
9 county with a population of 500,000 or more; and

10 (B) a municipality described by Subdivision (1)
11 that proposes to annex an area in a county with a population of
12 500,000 or more.

13 SECTION 32. Section 43.1025(c), Local Government Code, is
14 amended to read as follows:

15 (c) The area described by Subsection (b) may be annexed
16 under the requirements applicable to a municipality wholly or
17 partly located in a county with a population of 500,000 or more
18 ~~[without the consent of the owners or residents of the area]~~, but
19 the annexation may not occur unless each municipality in whose
20 extraterritorial jurisdiction the area may be located:

21 (1) consents to the annexation; and

22 (2) reduces its extraterritorial jurisdiction over
23 the area as provided by Section 42.023.

24 SECTION 33. The heading to Section 43.103, Local Government
25 Code, is amended to read as follows:

26 Sec. 43.103. ANNEXATION OF STREETS, HIGHWAYS, AND OTHER
27 WAYS BY CERTAIN GENERAL-LAW MUNICIPALITIES ~~[MUNICIPALITY]~~.

SECTION 34. Section 43.103(a), Local Government Code, is amended to read as follows:

(a) Subject to Section 43.1055(b), a [A] general-law municipality with a population of 500 or more wholly located in one or more counties each with a population of less than 500,000 may annex, by ordinance and without the consent of any person, the part of a street, highway, alley, or other public or private way, including a railway line, spur, or roadbed, that is adjacent and runs parallel to the boundaries of the municipality.

SECTION 35. Section 43.105, Local Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) This section applies only to:

(1) a [A] general-law municipality that:

(A) has a population of 1,066-1,067;

(B) [and] is wholly located in a county with a population of 85,000 or more and less than 500,000; and

(C) [that] is not adjacent to a county with a population of 2 million or more; [7] or

(2) a general-law municipality that:

(A) has a population of 6,000-6,025; and

(B) is wholly located in a county with a population of less than 500,000.

(a-1) Subject to Section 43.1055(b), a municipality described by Subsection (a) may annex, by ordinance and without the consent of any person, a public street, highway, road, or alley adjacent to the municipality.

SECTION 36. Subchapter E, Chapter 43, Local Government Code, is amended by adding Section 43.1055 to read as follows:

Sec. 43.1055. ANNEXATION OF ROADS AND RIGHTS-OF-WAY IN CERTAIN LARGE COUNTIES. (a) Notwithstanding any other law, a municipality wholly or partly located in a county with a population of 500,000 or more may by ordinance annex a road or the right-of-way of a road on request of the owner of the road or right-of-way or the governing body of the political subdivision that maintains the road or right-of-way under the procedures applicable to a municipality wholly located in one or more counties each with a population of less than 500,000 that proposes to annex an area wholly located in a county with a population of less than 500,000.

(b) A municipality described by Section 43.103 or 43.105 that proposes to annex a road or right-of-way in a county with a population of 500,000 or more must comply with this section.

SECTION 37. Sections 43.121(a) and (c), Local Government Code, are amended to read as follows:

(a) Subject to Section 43.1211, the ~~[The]~~ governing body of a home-rule municipality with more than 225,000 inhabitants by ordinance may annex an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area.

(c) The provisions of this subchapter, other than Sections 43.1211 and ~~[Section]~~ 43.136, do not affect the authority of a municipality to annex an area for limited purposes under Section 43.136 or any other statute granting the authority to annex for limited purposes.

SECTION 38. Subchapter F, Chapter 43, Local Government

1 Code, is amended by adding Section 43.1211 to read as follows:

2 Sec. 43.1211. AUTHORITY OF MUNICIPALITIES WHOLLY OR PARTLY
3 LOCATED IN COUNTY WITH POPULATION OF 500,000 OR MORE TO ANNEX FOR
4 LIMITED PURPOSES. Except as provided by Section 43.0751, beginning
5 September 1, 2017, a municipality to which Subchapters C-2 through
6 C-5 apply may annex an area for the limited purposes of applying its
7 planning, zoning, health, and safety ordinances in the area using
8 the procedures under Subchapter C-3, C-4, or C-5, as applicable.

9 SECTION 39. Sections 43.141(a) and (b), Local Government
10 Code, are amended to read as follows:

11 (a) A majority of the qualified voters of an annexed area
12 may petition the governing body of the municipality to disannex the
13 area if the municipality fails or refuses to provide services or to
14 cause services to be provided to the area:

15 (1) if the municipality is wholly located in one or
16 more counties each with a population of less than 500,000, within
17 the period specified by Section 43.056 or by the service plan
18 prepared for the area under that section; or

19 (2) if the municipality is wholly or partly located in
20 a county with a population of 500,000 or more or is a municipality
21 described by Subdivision (1) that annexed the area in a county with
22 a population of 500,000 or more, within the period specified by the
23 written agreement under Section 43.0672 or the resolution under
24 Section 43.0682 or 43.0692, as applicable.

25 (b) If the governing body fails or refuses to disannex the
26 area within 60 days after the date of the receipt of the petition,
27 any one or more of the signers of the petition may bring a cause of

1 action in a district court of the county in which the area is
2 principally located to request that the area be disannexed. On the
3 filing of an answer by the governing body, and on application of
4 either party, the case shall be advanced and heard without further
5 delay in accordance with the Texas Rules of Civil Procedure. The
6 district court shall enter an order disannexing the area if the
7 court finds that a valid petition was filed with the municipality
8 and that the municipality failed to:

- 9 (1) perform its obligations in accordance with:
- 10 (A) the service plan under Section 43.056;
- 11 (B) the written agreement entered into under
- 12 Section 43.0672; or
- 13 (C) the resolution adopted under Section 43.0682
- 14 or 43.0692, as applicable; or
- 15 (2) ~~[failed to]~~ perform in good faith.

16 SECTION 40. Sections 43.203(a) and (b), Local Government
17 Code, are amended to read as follows:

18 (a) Notwithstanding any other law, the ~~[The]~~ governing body
19 of a district by resolution may petition a municipality to alter the
20 annexation status of land in the district from full-purpose
21 annexation to limited-purpose annexation.

22 (b) On receipt of the district's petition, the governing
23 body of the municipality shall enter into negotiations with the
24 district for an agreement to alter the status of annexation that
25 must:

- 26 (1) specify the period, which may not be less than 10
- 27 years beginning on January 1 of the year following the date of the

1 agreement, in which limited-purpose annexation is in effect;

2 (2) provide that, at the expiration of the period, the
3 district's annexation status will automatically revert to
4 full-purpose annexation without following procedures provided by
5 Sections 43.014 and 43.052 [~~43.051~~] through 43.055 or any other
6 procedural requirement for annexation not in effect on January 1,
7 1995; and

8 (3) specify the financial obligations of the district
9 during and after the period of limited-purpose annexation for:

10 (A) facilities constructed by the municipality
11 that are in or that serve the district;

12 (B) debt incurred by the district for water and
13 sewer infrastructure that will be assumed by the municipality at
14 the end of the period of limited-purpose annexation; and

15 (C) use of the municipal sales taxes collected by
16 the municipality for facilities or services in the district.

17 SECTION 41. Section 43.905(a), Local Government Code, is
18 amended to read as follows:

19 (a) A municipality that proposes to annex an area shall
20 provide written notice of the proposed annexation to each public
21 school district located in the area proposed for annexation within
22 the period prescribed for providing [~~publishing~~] the notice of the
23 first hearing under Section 43.0561, ~~[or]~~ 43.063, 43.0673, 43.0683,
24 or 43.0693, as applicable.

25 SECTION 42. Subchapter Z, Chapter 43, Local Government
26 Code, is amended by adding Section 43.9051 to read as follows:

27 Sec. 43.9051. EFFECT OF ANNEXATION ON PUBLIC ENTITIES OR

1 POLITICAL SUBDIVISIONS. (a) In this section, "public entity"
2 includes a county, fire protection service provider, including a
3 volunteer fire department, emergency medical services provider,
4 including a volunteer emergency medical services provider, or
5 special district, as that term is defined by Section 43.052.

6 (b) A municipality that proposes to annex an area shall
7 provide written notice of the proposed annexation within the period
8 prescribed for providing the notice of the first hearing under
9 Section 43.0561, 43.063, 43.0673, 43.0683, or 43.0693, as
10 applicable, to each public entity that is located in or provides
11 services to the area proposed for annexation.

12 (c) A municipality that proposes to enter into a strategic
13 partnership agreement under Section 43.0751 shall provide written
14 notice of the proposed agreement within the period prescribed for
15 providing the notice of the first hearing under Section 43.0751 to
16 each political subdivision that is located in or provides services
17 to the area subject to the proposed agreement.

18 (d) A notice to a public entity or political subdivision
19 shall contain a description of:

20 (1) the area proposed for annexation;

21 (2) any financial impact on the public entity or
22 political subdivision resulting from the annexation, including any
23 changes in the public entity's or political subdivision's revenues
24 or maintenance and operation costs; and

25 (3) any proposal the municipality has to abate,
26 reduce, or limit any financial impact on the public entity or
27 political subdivision.

1 (e) The municipality may not proceed with the annexation
2 unless the municipality provides the required notice under this
3 section.

4 SECTION 43. Section 8395.151, Special District Local Laws
5 Code, is amended to read as follows:

6 Sec. 8395.151. ANNEXATION BY MUNICIPALITY. (a) The
7 governing body of a [A] municipality that plans to [may] annex all
8 or part of the district first must adopt a resolution of intention
9 to annex all or part of the district and transmit that resolution to
10 the district and the following districts:

11 (1) Travis County Municipal Utility District No. 4;

12 (2) Travis County Municipal Utility District No. 5;

13 (3) Travis County Municipal Utility District No. 6;

14 (4) Travis County Municipal Utility District No. 7;

15 (5) Travis County Municipal Utility District No. 8;

16 (6) Travis County Municipal Utility District No. 9;

17 and

18 (7) Travis County Water Control and Improvement
19 District No. 19.

20 (b) On receipt of a resolution described by Subsection (a),
21 the district and each of the districts listed in Subsection (a)
22 shall call an election to be held on the next uniform election date
23 on the question of whether the annexation should be authorized.

24 (c) The municipality may annex the territory described by
25 the resolution only if a majority of the total number of voters
26 voting in all of the districts' elections vote in favor of
27 authorizing the annexation.

(d) The municipality seeking annexation shall pay the costs of the elections held under this section ~~[on the earlier of:~~

~~[(1) the installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to:~~

~~[(A) provide service to the proposed development within the district,~~

~~[(B) accomplish the purposes for which the district was created, and~~

~~[(C) exercise the powers provided by general law and this chapter, or~~

~~[(2) the 20th anniversary of the date the district was confirmed].~~

SECTION 44. Section 8396.151, Special District Local Laws Code, is amended to read as follows:

Sec. 8396.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a [A] municipality that plans to [may] annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:

(1) Travis County Municipal Utility District No. 3;

(2) Travis County Municipal Utility District No. 5;

(3) Travis County Municipal Utility District No. 6;

(4) Travis County Municipal Utility District No. 7;

(5) Travis County Municipal Utility District No. 8;

(6) Travis County Municipal Utility District No. 9;

and

1 (7) Travis County Water Control and Improvement
2 District No. 19.

3 (b) On receipt of a resolution described by Subsection (a),
4 the district and each of the districts listed in Subsection (a)
5 shall call an election to be held on the next uniform election date
6 on the question of whether the annexation should be authorized.

7 (c) The municipality may annex the territory described in
8 the resolution only if a majority of the total number of voters
9 voting in all of the districts' elections vote in favor of
10 authorizing the annexation.

11 (d) The municipality seeking annexation shall pay the costs
12 of the elections held under this section ~~[on the earlier of:~~

13 ~~[(1) the installation of 90 percent of all works,~~
14 ~~improvements, facilities, plants, equipment, and appliances~~
15 ~~necessary and adequate to:~~

16 ~~[(A) provide service to the proposed development~~
17 ~~within the district,~~

18 ~~[(B) accomplish the purposes for which the~~
19 ~~district was created; and~~

20 ~~[(C) exercise the powers provided by general law~~
21 ~~and this chapter; or~~

22 ~~[(2) the 20th anniversary of the date the district was~~
23 ~~confirmed].~~

24 SECTION 45. Section 8397.151, Special District Local Laws
25 Code, is amended to read as follows:

26 Sec. 8397.151. ANNEXATION BY MUNICIPALITY. (a) The
27 governing body of a [A] municipality that plans to [may] annex all

or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:

(1) Travis County Municipal Utility District No. 3;

(2) Travis County Municipal Utility District No. 4;

(3) Travis County Municipal Utility District No. 6;

(4) Travis County Municipal Utility District No. 7;

(5) Travis County Municipal Utility District No. 8;

(6) Travis County Municipal Utility District No. 9;

and

(7) Travis County Water Control and Improvement District No. 19.

(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) The municipality may annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) The municipality seeking annexation shall pay the costs of the elections held under this section ~~[on the earlier of:~~

~~[(1) the installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to:~~

~~[(A) provide service to the proposed development within the district,~~

~~[(B) accomplish the purposes for which the district was created; and~~

~~[(C) exercise the powers provided by general law and this chapter; or~~

~~[(2) the 20th anniversary of the date the district was confirmed].~~

SECTION 46. Section 8398.151, Special District Local Laws Code, is amended to read as follows:

Sec. 8398.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a [A] municipality that plans to [may] annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:

(1) Travis County Municipal Utility District No. 3;

(2) Travis County Municipal Utility District No. 4;

(3) Travis County Municipal Utility District No. 5;

(4) Travis County Municipal Utility District No. 7;

(5) Travis County Municipal Utility District No. 8;

(6) Travis County Municipal Utility District No. 9;

and

(7) Travis County Water Control and Improvement District No. 19.

(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) The municipality may annex the territory described in

1 the resolution only if a majority of the total number of voters
2 voting in all of the districts' elections vote in favor of
3 authorizing the annexation.

4 (d) The municipality seeking annexation shall pay the costs
5 of the elections held under this section ~~[on the earlier of:~~

6 ~~[(1) the installation of 90 percent of all works,~~
7 ~~improvements, facilities, plants, equipment, and appliances~~
8 ~~necessary and adequate to:~~

9 ~~[(A) provide service to the proposed development~~
10 ~~within the district,~~

11 ~~[(B) accomplish the purposes for which the~~
12 ~~district was created, and~~

13 ~~[(C) exercise the powers provided by general law~~
14 ~~and this chapter, or~~

15 ~~[(2) the 20th anniversary of the date the district was~~
16 ~~confirmed].~~

17 SECTION 47. Section 8399.151, Special District Local Laws
18 Code, is amended to read as follows:

19 Sec. 8399.151. ANNEXATION BY MUNICIPALITY. (a) The
20 governing body of a [A] municipality that plans to [may] annex all
21 or part of the district first must adopt a resolution of intention
22 to annex all or part of the district and transmit that resolution to
23 the district and the following districts:

24 (1) Travis County Municipal Utility District No. 3;

25 (2) Travis County Municipal Utility District No. 4;

26 (3) Travis County Municipal Utility District No. 5;

27 (4) Travis County Municipal Utility District No. 6;

1 (5) Travis County Municipal Utility District No. 8;

2 (6) Travis County Municipal Utility District No. 9;

3 and

4 (7) Travis County Water Control and Improvement
5 District No. 19.

6 (b) On receipt of a resolution described by Subsection (a),
7 the district and each of the districts listed in Subsection (a)
8 shall call an election to be held on the next uniform election date
9 on the question of whether the annexation should be authorized.

10 (c) The municipality may annex the territory described in
11 the resolution only if a majority of the total number of voters
12 voting in all of the districts' elections vote in favor of
13 authorizing the annexation.

14 (d) The municipality seeking annexation shall pay the costs
15 of the elections held under this section ~~[on the earlier of:~~

16 ~~[(1) the installation of 90 percent of all works,~~
17 ~~improvements, facilities, plants, equipment, and appliances~~
18 ~~necessary and adequate to:~~

19 ~~[(A) provide service to the proposed development~~
20 ~~within the district,~~

21 ~~[(B) accomplish the purposes for which the~~
22 ~~district was created; and~~

23 ~~[(C) exercise the powers provided by general law~~
24 ~~and this chapter; or~~

25 ~~[(2) the 20th anniversary of the date the district was~~
26 ~~confirmed].~~

27 SECTION 48. Section 8400.151, Special District Local Laws

1 Code, is amended to read as follows:

2 Sec. 8400.151. ANNEXATION BY MUNICIPALITY. (a) The
3 governing body of a [A] municipality that plans to [may] annex all
4 or part of the district first must adopt a resolution of intention
5 to annex all or part of the district and transmit that resolution to
6 the district and the following districts:

7 (1) Travis County Municipal Utility District No. 3;

8 (2) Travis County Municipal Utility District No. 4;

9 (3) Travis County Municipal Utility District No. 5;

10 (4) Travis County Municipal Utility District No. 6;

11 (5) Travis County Municipal Utility District No. 7;

12 (6) Travis County Municipal Utility District No. 9;

13 and

14 (7) Travis County Water Control and Improvement
15 District No. 19.

16 (b) On receipt of a resolution described by Subsection (a),
17 the district and each of the districts listed in Subsection (a)
18 shall call an election to be held on the next uniform election date
19 on the question of whether the annexation should be authorized.

20 (c) The municipality may annex the territory described in
21 the resolution only if a majority of the total number of voters
22 voting in all of the districts' elections vote in favor of
23 authorizing the annexation.

24 (d) The municipality seeking annexation shall pay the costs
25 of the elections held under this section [on the earlier of:

26 ~~[(1) the installation of 90 percent of all works,~~
27 ~~improvements, facilities, plants, equipment, and appliances~~

~~necessary and adequate to:~~

~~[(A) provide service to the proposed development within the district;~~

~~[(B) accomplish the purposes for which the district was created; and~~

~~[(C) exercise the powers provided by general law and this chapter; or~~

~~[(2) the 20th anniversary of the date the district was confirmed].~~

SECTION 49. Section 8401.151, Special District Local Laws Code, is amended to read as follows:

Sec. 8401.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a [A] municipality that plans to [may] annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:

(1) Travis County Municipal Utility District No. 3;

(2) Travis County Municipal Utility District No. 4;

(3) Travis County Municipal Utility District No. 5;

(4) Travis County Municipal Utility District No. 6;

(5) Travis County Municipal Utility District No. 7;

(6) Travis County Municipal Utility District No. 8;

and

(7) Travis County Water Control and Improvement District No. 19.

(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a)

1 shall call an election to be held on the next uniform election date
2 on the question of whether the annexation should be authorized.

3 (c) The municipality may annex the territory described in
4 the resolution only if a majority of the total number of voters
5 voting in all of the districts' elections vote in favor of
6 authorizing the annexation.

7 (d) The municipality seeking annexation shall pay the costs
8 of the elections held under this section ~~[on the earlier of:~~

9 ~~[(1) the installation of 90 percent of all works,~~
10 ~~improvements, facilities, plants, equipment, and appliances~~
11 ~~necessary and adequate to:~~

12 ~~[(A) provide service to the proposed development~~
13 ~~within the district,~~

14 ~~[(B) accomplish the purposes for which the~~
15 ~~district was created; and~~

16 ~~[(C) exercise the powers provided by general law~~
17 ~~and this chapter; or~~

18 ~~[(2) the 20th anniversary of the date the district was~~
19 ~~confirmed].~~

20 SECTION 50. Section 8489.109, Special District Local Laws
21 Code, is amended to read as follows:

22 Sec. 8489.109. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT.
23 For the purposes of Section 43.003(2) ~~[43.021(2)]~~, Local Government
24 Code, or other law, including a municipal charter or ordinance
25 relating to annexation, an area adjacent to the district or any new
26 district created by the division of the district is considered
27 adjacent to a municipality in whose corporate limits or

extraterritorial jurisdiction any of the land in the area described by Section 2 of the Act enacting this chapter is located.

SECTION 51. Section 9038.110, Special District Local Laws Code, is amended to read as follows:

Sec. 9038.110. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT. For the purposes of Section 43.003(2) [~~43.021(2)~~], Local Government Code, or other law, including a municipal charter or ordinance relating to annexation, an area adjacent to the district or any new district created by the division of the district is considered adjacent to a municipality in whose corporate limits or extraterritorial jurisdiction any of the land in the area described by Section 2 of the Act creating this chapter is located.

SECTION 52. Section 9039.110, Special District Local Laws Code, is amended to read as follows:

Sec. 9039.110. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT. For the purposes of Section 43.003(2) [~~43.021(2)~~], Local Government Code, or other law, including a municipal charter or ordinance relating to annexation, an area adjacent to the district or any new district created by the division of the district is considered adjacent to a municipality in whose corporate limits or extraterritorial jurisdiction any of the land in the area described by Section 2 of the Act creating this chapter is located.

SECTION 53. Subtitle I, Title 6, Special District Local Laws Code, is amended by adding Chapter 9073 to read as follows:

CHAPTER 9073. TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT

NO. 19; ANNEXATION

Sec. 9073.001. DEFINITION. In this chapter, "district"

means the Travis County Water Control and Improvement District No. 19.

Sec. 9073.002. ANNEXATION BY MUNICIPALITY. (a) The governing body of a municipality that plans to annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:

(1) Travis County Municipal Utility District No. 3;

(2) Travis County Municipal Utility District No. 4;

(3) Travis County Municipal Utility District No. 5;

(4) Travis County Municipal Utility District No. 6;

(5) Travis County Municipal Utility District No. 7;

(6) Travis County Municipal Utility District No. 8;

and

(7) Travis County Municipal Utility District No. 9.

(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) The municipality may annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) The municipality seeking annexation shall pay the costs of the elections held under this section.

SECTION 54. (a) Sections 43.036, 43.0546, 43.056(d), (h), and (p), 43.0565, 43.0567, 43.1025(e) and (g), and 43.906, Local

1 Government Code, are repealed.

2 (b) Section 5.701(n)(6), Water Code, is repealed.

3 (c) The repeal of Section 43.036, Local Government Code, by
4 this Act does not affect a boundary change agreement entered into
5 under that section, the release and transfer of area under a
6 boundary change agreement entered into under that section, or the
7 requirements related to a boundary change agreement entered into
8 under that section.

9 (d) The repeal of Sections 43.056(d), (h), and (p) and
10 Sections 43.0565 and 43.0567, Local Government Code, by this Act
11 and the change in law made by this Act to Sections 43.056(l) and
12 (n), Local Government Code, do not affect a right, requirement,
13 limitation, or remedy provided for under those sections and
14 applicable in an area annexed by a municipality for which the first
15 hearing notice required by Section 43.0561 or 43.063, Local
16 Government Code, as applicable, was published before September 1,
17 2017.

18 SECTION 55. The changes in law made by this Act do not apply
19 to an area that is the subject of an agreement between a
20 municipality with a population of more than 1.3 million and less
21 than 1.5 million according to the 2010 federal decennial census and
22 a municipality with a population of more than 18,050 and less than
23 18,200 according to the 2010 federal decennial census that contains
24 a plan that is approved by the municipalities before the effective
25 date of this Act for phased boundary adjustments between the
26 municipalities, releases of extraterritorial jurisdiction by the
27 more populous municipality, and annexations by the less populous

1 municipality. A municipal boundary adjustment, release of
2 extraterritorial jurisdiction, or annexation contained in a plan
3 under an agreement described by this section is governed by the law
4 in effect at the time the agreement was approved by the
5 municipalities, and the former law is continued in effect for that
6 purpose.

7 SECTION 56. The changes in law made by this Act apply to the
8 annexation of an area subject to a development agreement entered
9 into by a municipality with a population of more than 227,000 and
10 less than 236,000, according to the 2010 federal decennial census,
11 under Section 212.172, Local Government Code, before the effective
12 date of this Act that is initiated on or after the expiration date
13 provided for in the agreement. The annexation of an area subject to
14 the agreement that is initiated before the expiration date of the
15 agreement as the result of a termination of the agreement is
16 governed by the law in effect on January 1, 2017, and the former law
17 is continued in effect for that purpose.

18 SECTION 57. The changes in law made by this Act apply only
19 to the annexation of an area that is not final on the effective date
20 of this Act. An annexation of an area that was final before the
21 effective date of this Act is governed by those portions of Chapter
22 43, Local Government Code, that relate to post-annexation
23 procedures and requirements in effect immediately before the
24 effective date of this Act, and that law is continued in effect for
25 that purpose.

26 SECTION 58. This Act takes effect September 1, 2017.

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No equivalent provision.

HOUSE VERSION (IE)

SECTION __. Section 775.022(e), Health and Safety Code, is amended to read as follows:

(e) The amount of compensation under Subsection (c) shall be determined by multiplying the district's total indebtedness at the time of the annexation by a fraction;

(1) the numerator of which is the assessed value of the property to be annexed based on the most recent certified county property tax rolls at the time of annexation plus the total amount of the district's sales and use tax revenue collected by businesses located in the property to be annexed in the 12 months preceding the date of annexation, as reported by the comptroller; and

(2) the denominator of which is the total assessed value of the property of the district based on the most recent certified county property tax rolls at the time of annexation plus the total amount of the district's sales and use tax revenue collected by businesses located in the district in the 12 months preceding the date of annexation, as reported by the comptroller. [FA15]

CONFERENCE

Same as Senate version.

No equivalent provision.

SECTION __. Section 43.002, Local Government Code, is amended by adding Subsection (e) to read as follows:

(e) Notwithstanding Subsection (c) and until the 20th anniversary of the date of the annexation of an area that includes a permanent retail structure, a municipality may not prohibit a person from continuing to use the structure for the indoor seasonal sale of retail goods if the structure:

(1) is more than 5,000 square feet; and

(2) was authorized under the laws of this state to be used for the indoor seasonal sale of retail goods on the effective date of the annexation. [FA7]

SECTION 1. Same as House version.

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HOUSE VERSION (IE)

CONFERENCE

SECTION 1. Subchapter A, Chapter 43, Local Government Code, is amended by adding Section 43.003 to read as follows:
Sec. 43.003. LIMITED PURPOSE ANNEXATION GENERALLY PROHIBITED; EXCEPTION. (a) Except as provided by Section 43.0751, beginning September 1, 2017, a municipality may not annex an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area.
(b) This section supersedes any municipal charter provision that conflicts with this section.

SECTION 2. Section 43.021, Local Government Code, is amended to read as follows:

Sec. **43.021.** AUTHORITY OF HOME-RULE MUNICIPALITY TO ANNEX AREA AND TAKE OTHER ACTIONS REGARDING BOUNDARIES. A home-rule municipality may take the following actions according to rules as may be provided by the charter of the municipality and not inconsistent with the requirements [~~procedural—rules~~] prescribed by this chapter:

- (1) fix the boundaries of the municipality;
- (2) extend the boundaries of the municipality and annex area adjacent to the municipality; and
- (3) exchange area with other municipalities.

No equivalent provision.

No equivalent provision.

SECTION 1. Section 43.021, Local Government Code, is *transferred to Subchapter A, Chapter 43, Local Government Code, redesignated as Section 43.003, Local Government Code, and* amended to read as follows:
Sec. **43.003** [~~43.021~~]. AUTHORITY OF HOME-RULE MUNICIPALITY TO ANNEX AREA AND TAKE OTHER ACTIONS REGARDING BOUNDARIES. A home-rule municipality may take the following actions according to rules as may be provided by the charter of the municipality and not inconsistent with the requirements [~~procedural—rules~~] prescribed by this chapter:

- (1) fix the boundaries of the municipality;
- (2) extend the boundaries of the municipality and annex area adjacent to the municipality; and
- (3) exchange area with other municipalities.

SECTION 2. Chapter 43, Local Government Code, is

Same as House version.

SECTION 2. Same as House version.

SECTION 3. Same as House version except as follows:

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CONFERENCE

amended by adding Subchapter A-1. Among other provisions, Subchapter A-1 includes Sec. 43.0115 to read as follows:
Sec. 43.0115. AUTHORITY OF *MUNICIPALITY* TO ANNEX ENCLAVES. (a) This section applies only to *an area* that:

- (1) is wholly surrounded by a municipality and within the municipality's extraterritorial jurisdiction; and
- (2) has fewer than 100 dwelling units.
- (b) Notwithstanding any other law, the governing body of a municipality by ordinance may annex an area without the consent of any of the residents of, voters of, or owners of land in the area under the procedures prescribed by Subchapter C-1. [FA2]

SECTION 3. Section 43.051, Local Government Code, is transferred to *Subchapter B*, Chapter 43, Local Government Code, redesignated as Section *43.0211*, Local Government Code, *and amended* to read as follows:
Sec. *43.0211* [43.051]. AUTHORITY TO ANNEX LIMITED TO EXTRATERRITORIAL JURISDICTION. A municipality may annex area only in *the municipality's [its]* extraterritorial jurisdiction unless the municipality owns the area.

SECTION 4. Section 43.054, Local Government Code, is *transferred to Subchapter B, Chapter 43, Local Government*

SECTION 5. Section 43.051, Local Government Code, is transferred to *Subchapter A-1*, Chapter 43, Local Government Code, *as added by this Act, and* redesignated as Section *43.014*, Local Government Code, to read as follows:
Sec. *43.014* [43.051]. AUTHORITY TO ANNEX LIMITED TO EXTRATERRITORIAL JURISDICTION. A municipality may annex area only in *its* extraterritorial jurisdiction unless the municipality owns the area.

SECTION 14. Section 43.054(a), Local Government Code, is amended to read as follows:

Sec. 43.0115. AUTHORITY _____ OF *CERTAIN MUNICIPALITIES* TO ANNEX ENCLAVES. (a) This section applies only to *a municipality* that:
(1) is wholly or partly located in a county in which a majority of the population of two or more municipalities, each with a population of 300,000 or more, are located; and
(2) proposes to annex an area that:
(A) is wholly surrounded by a municipality and within the municipality's extraterritorial jurisdiction; and
(B) has fewer than 100 dwelling units.
(b) Notwithstanding any other law, the governing body of a municipality by ordinance may annex an area without the consent of any of the residents of, voters of, or owners of land in the area under the procedures prescribed by Subchapter C-1.

SECTION 6. Same as House version.

SECTION 15. Same as House version.

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Code, redesignated as Section 43.02115, Local Government Code, and amended to read as follows:

Sec. 43.02115 [43.054]. WIDTH REQUIREMENTS. (a) A municipality [with a population of less than 1.6 million] may not annex a publicly or privately owned area, including a strip of area following the course of a road, highway, river, stream, or creek, unless the width of the area at the area's [its] narrowest point is at least 1,000 feet.

(b) The prohibition established by Subsection (a) does not apply if:

(1) the boundaries of the municipality are contiguous to the area on at least two sides;

(2) the annexation is initiated on the request [written petition] of the owners or on the written petition of a majority of the registered [qualified] voters of the area; or

(3) the area abuts or is contiguous to another jurisdictional boundary.

[~~(c) Notwithstanding Subsection (a), a municipality with a population of 21,000 or more located in a county with a population of 100,000 or more may annex a publicly owned strip or similar area following the course of a road or highway for the purpose of annexing territory contiguous to the strip or area if the territory contiguous to the strip or area was formerly used or was to be used in connection with or by a superconducting super collider high-energy research facility.~~]

SECTION 5. Subchapter B, Chapter 43, Local Government Code, is amended by adding Section 43.0212 to read as follows:

Sec. 43.0212. AUTHORITY OF MUNICIPALITY TO

(a) A municipality [~~with a population of less than 1.6 million~~] may not annex a publicly or privately owned area, including a strip of area following the course of a road, highway, river, stream, or creek, unless the width of the area at *its* narrowest point is at least 1,000 feet.

No equivalent provision. (But see SECTION 24 below.)

Same as House version.

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|--|--|-------------------------------|
| <p><u>ANNEX AREA ON REQUEST OF OWNERS. (a) Notwithstanding Subchapter C or C-1, a municipality may annex an area if each owner of land in the area requests the annexation.</u></p> <p><u>(b) If a municipality elects to annex an area under this section, the governing body of the municipality must first negotiate and enter into a written agreement for the provision of services in the area with the owners of land in the area. The municipality is not required to provide a service that is not included in the agreement.</u></p> <p><u>(c) Before a municipality may annex an area under this section, the governing body of the municipality must conduct at least two public hearings. The hearings must be conducted not less than 10 business days apart. During the first public hearing, the governing body must provide persons interested in the annexation the opportunity to be heard. During the final public hearing, the governing body may adopt an ordinance annexing the area.</u></p> | | |
| <p>SECTION 6. Section 43.0235(a), Local Government Code, is amended to read as follows:</p> <p>(a) A general-law municipality may annex an area in which 50 percent or more of the property in the area to be annexed is primarily used for a commercial or industrial purpose only if the municipality:</p> <p>(1) is otherwise authorized by this <u>chapter</u> [subchapter] to annex the area and complies with the requirements prescribed under that authority; and</p> <p>(2) obtains the written consent of the owners of a majority of the property in the area to be annexed.</p> | <p><i>No equivalent provision.</i></p> | <p>Same as House version.</p> |

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SECTION 7. Section 43.026, Local Government Code, is amended to read as follows:

Sec. **43.026.** AUTHORITY OF TYPE A GENERAL-LAW MUNICIPALITY TO ANNEX AREA IT OWNS. Notwithstanding Subchapter C or C-1, the [The] governing body of a Type A general-law municipality by ordinance may annex area that the municipality owns. The ordinance must describe the area by metes and bounds and must be entered in the minutes of the governing body.

SECTION 8. Section 43.027, Local Government Code, is amended to read as follows:

Sec. **43.027.** AUTHORITY OF **GENERAL-LAW** MUNICIPALITY TO ANNEX NAVIGABLE STREAM. Notwithstanding Subchapter C or C-1, the [The] governing body of a **general-law** municipality by ordinance may annex any navigable stream adjacent to the municipality and within the municipality's extraterritorial jurisdiction.

SECTION 9. Section 43.029, Local Government Code, is amended by amending Subsection (c) and adding Subsections (d), (e), (f), and (g) to read as follows:

HOUSE VERSION (IE)

SECTION 3. Section 43.026, Local Government Code, is *transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignated as Section 43.012, Local Government Code, and* amended to read as follows:

Sec. **43.012** [~~**43.026**~~]. AUTHORITY OF TYPE A GENERAL-LAW MUNICIPALITY TO ANNEX AREA IT OWNS. The governing body of a Type A general-law municipality by ordinance may annex area that the municipality owns under the procedures prescribed by Subchapter C-1. The ordinance must describe the area by metes and bounds and must be entered in the minutes of the governing body.

SECTION 4. Section 43.027, Local Government Code, is *transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignated as Section 43.013, Local Government Code, and* amended to read as follows:

Sec. **43.013** [~~**43.027**~~]. AUTHORITY OF [~~**GENERAL-LAW**~~] MUNICIPALITY TO ANNEX NAVIGABLE STREAM. The governing body of a [~~**general-law**~~] municipality by ordinance may annex any navigable stream adjacent to the municipality and within the municipality's extraterritorial jurisdiction under the procedures prescribed by Subchapter C-1.

No equivalent provision.

CONFERENCE

SECTION 4. Same as House version.

SECTION 5. Same as House version.

Same as House version.

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(c) Notwithstanding Subchapter C or C-1, the [The] board of trustees of a public school occupying the area may petition the governing body of the municipality in writing to annex the area under the procedures provided by this section. [Sections 43.028(e) (f) apply to the petition and annexation under this section in the same manner in which they apply to the petition and annexation under that section.]

(d) The petition must describe the area by metes and bounds and must be acknowledged in the manner required for deeds by each person having an interest in the area.

(e) After the 5th day but on or before the 30th day after the date the petition is filed, the governing body shall hear the petition and the arguments for and against the annexation and shall grant or refuse the petition as the governing body considers appropriate.

(f) If the governing body grants the petition, the governing body by ordinance may annex the area. On the effective date of the ordinance, the area becomes a part of the municipality.

(g) If the petition is granted and the ordinance is adopted, a certified copy of the ordinance together with a copy or duplicate of the petition shall be filed in the office of the county clerk of the county in which the municipality is located.

SECTION 10. Section 43.031, Local Government Code, is *amended* to read as follows:

Sec. **43.031.** AUTHORITY OF ADJACENT MUNICIPALITIES TO CHANGE BOUNDARIES BY AGREEMENT. *Notwithstanding Subchapter C or C-1,*

HOUSE VERSION (IE)

SECTION 6. Section 43.031, Local Government Code, is *transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, and redesignated as Section 43.015, Local Government Code*, to read as follows:
Sec. **43.015 [43.031].** AUTHORITY OF ADJACENT MUNICIPALITIES TO CHANGE BOUNDARIES BY AGREEMENT. Adjacent municipalities may make mutually

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SECTION 7. Same as House version.

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| <p><u>adjacent</u> [Adjacent] municipalities may make mutually agreeable changes in their boundaries of areas that are less than 1,000 feet in width.</p> <p><i>No equivalent provision.</i></p> | <p>agreeable changes in their boundaries of areas that are less than 1,000 feet in width.</p> <p>SECTION 7. Section 43.035, Local Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignated as Section 43.016, Local Government Code, and amended to read as follows: Sec. <u>43.016</u> [43.035]. AUTHORITY OF MUNICIPALITY TO ANNEX AREA QUALIFIED FOR AGRICULTURAL OR WILDLIFE MANAGEMENT USE OR AS TIMBER LAND. (a) This section applies only to an area:</p> <p>(1) eligible to be the subject of a development agreement under Subchapter G, Chapter 212; and</p> <p>(2) appraised for ad valorem tax purposes as land for agricultural or wildlife management use under Subchapter C or D, Chapter 23, Tax Code, or as timber land under Subchapter E of that chapter.</p> <p>(b) A municipality may not annex an area to which this section applies unless:</p> <p>(1) the municipality offers to make a development agreement with the landowner under Section 212.172 that would:</p> <p>(A) guarantee the continuation of the extraterritorial status of the area; and</p> <p>(B) authorize the enforcement of all regulations and planning authority of the municipality that do not interfere with the use of the area for agriculture, wildlife management, or timber; and</p> <p>(2) the landowner declines to make the agreement described by Subdivision (1).</p> <p>(c) For purposes of Section <u>43.003(2)</u> [43.021(2)] or another</p> | <p>SECTION 8. Same as House version.</p> |

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law, including a municipal charter or ordinance, relating to municipal authority to annex an area adjacent to the municipality, an area adjacent or contiguous to an area that is the subject of a development agreement described by Subsection (b)(1) is considered adjacent or contiguous to the municipality.

(d) A provision of a development agreement described by Subsection (b)(1) that restricts or otherwise limits the annexation of all or part of the area that is the subject of the agreement is void if the landowner files any type of subdivision plat or related development document for the area with a governmental entity that has jurisdiction over the area, regardless of how the area is appraised for ad valorem tax purposes.

(e) A development agreement described by Subsection (b)(1) is not a permit for purposes of Chapter 245.

No equivalent provision.

SECTION 8. Section 43.037, Local Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, *and* redesignated as Section 43.017, Local Government Code, to read as follows:

Sec. 43.017 [~~43.037~~]. PROHIBITION AGAINST ANNEXATION TO SURROUND MUNICIPALITY IN CERTAIN COUNTIES. (a) A municipality with a population of more than 175,000 located in a county that contains an international border and borders the Gulf of Mexico may not annex an area that would cause another municipality to be entirely surrounded by the corporate limits or extraterritorial jurisdiction of the annexing municipality. [FA3(1),3rd]

SECTION 9. SECTION 8. Section 43.037, Local Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignated as Section 43.017, Local Government Code, *and amended* to read as follows:

Sec. 43.017 [~~43.037~~]. PROHIBITION AGAINST ANNEXATION TO SURROUND MUNICIPALITY IN CERTAIN COUNTIES. (a) A municipality with a population of more than 175,000 located in a county that contains an international border and borders the Gulf of Mexico may not annex an area that would cause another municipality to be entirely surrounded by the corporate limits or extraterritorial jurisdiction of the annexing municipality.

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| | <u>(b) A municipality described by Subsection (a) to which Section 42.0235 applies and a neighboring municipality may waive <i>the application of</i> Subsection (a) or Section 42.0235 if the governing body of each municipality adopts, on or after June 1, 2017, a resolution stating that the applicable section is waived. [FA3(2),3rd]</u> | <u>(b) A municipality described by Subsection (a) to which Section 42.0235 applies and a neighboring municipality may waive Subsection (a) or Section 42.0235 if the governing body of each municipality adopts, on or after June 1, 2017, a resolution stating that the applicable section is waived.</u> |
| <i>No equivalent provision.</i> | SECTION 9. The heading to Subchapter B, Chapter 43, Local Government Code, is amended to read as follows: SUBCHAPTER B. GENERAL AUTHORITY TO ANNEX: <u>MUNICIPALITIES WHOLLY LOCATED IN COUNTIES WITH POPULATION OF LESS THAN 500,000</u> | SECTION 10. Same as House version. |
| <i>No equivalent provision.</i> | SECTION 10. Subchapter B, Chapter 43, Local Government Code, is amended by adding Section 43.0205 providing for the applicability of the subchapter. | SECTION 11. Same as House version. |
| SECTION 11. The heading to Subchapter C, Chapter 43, Local Government Code, is amended to read as follows: SUBCHAPTER C. ANNEXATION <u><i>OF AREAS WITH A POPULATION OF LESS THAN 200</i></u> <i>[PROCEDURE FOR AREAS ANNEXED UNDER MUNICIPAL ANNEXATION PLAN]</i> | SECTION 11. The heading to Subchapter C, Chapter 43, Local Government Code, is amended to read as follows: SUBCHAPTER C. ANNEXATION <i>PROCEDURE FOR AREAS ANNEXED UNDER MUNICIPAL ANNEXATION PLAN: <u>MUNICIPALITIES WHOLLY LOCATED IN COUNTIES WITH POPULATION OF LESS THAN 500,000</u></i> | SECTION 12. Same as House version. |
| SECTION 12. Subchapter C, Chapter 43, Local Government Code, is amended by adding Sections 43.0511 through 43.0518 to read as follows: | <i>No equivalent provision. (But see SECTION 24 below.)</i> | Same as House version. |

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Sec. 43.0511. AUTHORITY TO ANNEX. A municipality may annex an area with a population of less than 200 only if the municipality obtains consent to annex the area through a petition signed by:

(1) more than 50 percent of the registered voters of the area;
and

(2) if the registered voters of the area do not own more than 50 percent of the land in the area, more than 50 percent of the owners of land in the area.

Sec. 43.0512. RESOLUTION. The governing body of the municipality that proposes to annex an area under this subchapter must adopt a resolution that includes:

(1) a statement of the municipality's intent to annex the area;

(2) a detailed description and map of the area to be annexed;
and

(3) a description of the services to be provided by the municipality in the area after the annexation, including, as applicable:

(A) police protection;

(B) fire protection;

(C) emergency medical services;

(D) solid waste collection;

(E) operation and maintenance of water and wastewater facilities in the annexed area;

(F) operation and maintenance of roads and streets, including road and street lighting;

(G) operation and maintenance of parks, playgrounds, and swimming pools; and

(H) operation and maintenance of any other publicly owned facility, building, or service.

Sec. 43.0513. NOTICE OF PROPOSED ANNEXATION. Not later than the seventh day after the date the governing

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body of the municipality adopts the resolution under Section 43.0512, the municipality must mail to each resident in the area proposed to be annexed notification of the proposed annexation that includes:

- (1) notice of the public hearing required by Section 43.0514;
- (2) an explanation of the 60-day petition period described by Section 43.0515; and
- (3) a description of the services to be provided by the municipality in the area after the annexation.

Sec. 43.0514. PUBLIC HEARING. The governing body of a municipality must conduct at least one public hearing on the proposed annexation at which members of the public are given an opportunity to be heard. The governing body must conduct the hearing not earlier than the 21st day and not later than the 30th day after the date the governing body adopts the resolution under Section 43.0512.

Sec. 43.0515. PETITION. (a) The petition required by Section 43.0511 may be signed only by a registered voter of the area proposed to be annexed or an owner of land in the area. The petition must provide for the person signing to state whether the person is signing as a registered voter of the area, as an owner of land in the area, or as both.

(b) The municipality may collect signatures on the petition only during the period beginning on the 31st day after the date the governing body of the municipality adopts the resolution under Section 43.0512 and ending on the 90th day after the date the resolution is adopted.

(c) The petition must clearly state that a person signing the petition is consenting to the proposed annexation.

(d) The petition must include a map of and describe the area proposed to be annexed.

(e) The municipality must collect petition signatures in

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person, except that the municipality may provide for an owner of land in the area who is not a resident of the area to sign the petition electronically.

(f) Chapter 277, Election Code, applies to a petition under this section.

Sec. 43.0516. RESULTS OF PETITION. (a) When the petition period prescribed by Section 43.0515 ends, the petition shall be verified by the municipal secretary or other person responsible for verifying signatures. The municipality must notify the residents of the area proposed to be annexed of the results of the petition.

(b) If the municipality does not obtain the number of signatures on the petition required to annex the area, the municipality may not annex the area and may not adopt another resolution under Section 43.0512 to annex any part of the area until the first anniversary of the date the petition period ended.

(c) If the municipality obtains the number of signatures on the petition required to annex the area, the municipality may annex the area after:

- (1) providing notice under Subsection (a);
- (2) conducting a public hearing at which members of the public are given an opportunity to be heard; and
- (3) conducting a final hearing not earlier than the 10th day after the date of the public hearing under Subdivision (2) at which the ordinance annexing the area may be adopted.

Sec. 43.0517. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON PETITION. If a petition protesting the annexation of an area under this subchapter is signed by a number of registered voters of the municipality proposing the annexation equal to at least 50 percent of the number of voters who voted in the most recent municipal election and is

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received by the municipal secretary before the date the petition period prescribed by Section 43.0515 ends, the municipality may not complete the annexation of the area without approval of a majority of the voters of the municipality voting at an election called and held for that purpose.

Sec. 43.0518. RETALIATION FOR ANNEXATION DISAPPROVAL PROHIBITED. (a) The disapproval of the proposed annexation of an area under this subchapter does not affect any existing legal obligation of the municipality proposing the annexation to continue to provide governmental services in the area, including water or wastewater services.

(b) The municipality may not initiate a rate proceeding solely because of the disapproval of a proposed annexation of an area under this subchapter.

No equivalent provision.

SECTION 12. Subchapter C, Chapter 43, Local Government Code, is amended by adding Section 43.0505 providing for the applicability of the subchapter.

SECTION 13. Same as House version.

No equivalent provision.

SECTION 13. Section 43.052(h), Local Government Code, is amended to read as follows:

(h) This section does not apply to an area proposed for annexation if:

(1) the area contains fewer than 100 separate tracts of land on which one or more residential dwellings are located on each tract;

(2) the area will be annexed by petition of more than 50 percent of the real property owners in the area proposed for annexation or by vote or petition of the qualified voters or real

SECTION 14. Same as House version.

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property owners as provided by Subchapter B;
(3) the area is or was the subject of:
(A) an industrial district contract under Section 42.044; or
(B) a strategic partnership agreement under Section 43.0751;
(4) the area is located in a colonia, as that term is defined by Section 2306.581, Government Code;
(5) the area is annexed under Section 43.012, 43.013, 43.015 ~~[43.026, 43.027], or 43.029[, or 43.031]~~;
(6) the area is located completely within the boundaries of a closed military installation; or
(7) the municipality determines that the annexation of the area is necessary to protect the area proposed for annexation or the municipality from:
(A) imminent destruction of property or injury to persons; or
(B) a condition or use that constitutes a public or private nuisance as defined by background principles of nuisance and property law of this state.

No equivalent provision.

SECTION 15. Sections 43.056(l) and (n), Local Government Code, are amended to read as follows: [FA17(1)]
(l) A service plan is valid for 10 years. Renewal of the service plan is at the discretion of the municipality. ~~[A person residing or owning land in an annexed area in a municipality with a population of 1.6 million or more may enforce a service plan by petitioning the municipality for a change in policy or procedures to ensure compliance with the service plan. If the municipality fails to take action with regard to the petition, the petitioner may request arbitration of the dispute under Section 43.0565.]~~ A person residing or owning land in an annexed area ~~[in a municipality with a population of less than 1.6 million]~~ may enforce a service plan by applying for a writ of

SECTION 16. Same as House version.

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mandamus not later than the second anniversary of the date the person knew or should have known that the municipality was not complying with the service plan. If a writ of mandamus is applied for, the municipality has the burden of proving that the services have been provided in accordance with the service plan in question. If a court issues a writ under this subsection, the court:

- (1) must provide the municipality the option of disannexing the area within a reasonable period specified by the court;
- (2) may require the municipality to comply with the service plan in question before a reasonable date specified by the court if the municipality does not disannex the area within the period prescribed by the court under Subdivision (1);
- (3) may require the municipality to refund to the landowners of the annexed area money collected by the municipality from those landowners for services to the area that were not provided;
- (4) may assess a civil penalty against the municipality, to be paid to the state in an amount as justice may require, for the period in which the municipality is not in compliance with the service plan;
- (5) may require the parties to participate in mediation; and
- (6) may require the municipality to pay the person's costs and reasonable attorney's fees in bringing the action for the writ.
- (n) Before the second anniversary of the date an area is included within the corporate boundaries of a municipality by annexation, the municipality may not:
 - (1) prohibit the collection of solid waste in the area by a privately owned solid waste management service provider; or
 - (2) offer [impose a fee for] solid waste management services in the area unless a privately owned solid waste management service provider is unavailable [on a person who continues to

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~~use the services of a privately owned solid waste management service provider]. [FA17(2)]~~

No equivalent provision.

SECTION 16. Section 43.0562(a), Local Government Code, is amended to read as follows:
(a) After holding the hearings as provided by Section 43.0561:
(1) ~~[if a municipality has a population of less than 1.6 million,]~~ the municipality and the property owners of the area proposed for annexation shall negotiate for the provision of services to the area after annexation or for the provision of services to the area in lieu of annexation under Section 43.0563; or
(2) if a municipality proposes to annex a special district, as that term is defined by Section 43.052, the municipality and the governing body of the district shall negotiate for the provision of services to the area after annexation or for the provision of services to the area in lieu of annexation under Section 43.0751.

SECTION 17. Same as House version.

No equivalent provision.

SECTION 17. Section 43.0563(a), Local Government Code, is amended to read as follows:
(a) The governing body of a municipality ~~[with a population of less than 1.6 million]~~ may negotiate and enter into a written agreement for the provision of services and the funding of the services in an area with:
(1) representatives designated under Section 43.0562(b), if the area is included in the municipality's annexation plan; or
(2) an owner of an area within the extraterritorial jurisdiction of the municipality if the area is not included in the

SECTION 18. Same as House version.

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| | municipality's annexation plan. | |
| SECTION 13. The heading to Subchapter C-1, Chapter 43, Local Government Code, is amended to read as follows: SUBCHAPTER C-1. ANNEXATION <u><i>OF AREAS WITH A POPULATION OF AT LEAST 200</i></u> <i>[PROCEDURE FOR AREAS EXEMPTED FROM MUNICIPAL ANNEXATION PLAN]</i> | SECTION 18. The heading to Subchapter C-1, Chapter 43, Local Government Code, is amended to read as follows: SUBCHAPTER C-1. ANNEXATION <i>PROCEDURE FOR AREAS EXEMPTED FROM MUNICIPAL ANNEXATION PLAN: MUNICIPALITIES WHOLLY LOCATED IN COUNTIES WITH POPULATION OF LESS THAN 500,000</i> | SECTION 19. Same as House version. |
| SECTION 14. Subchapter C-1, Chapter 43, Local Government Code, is amended by adding Sections 43.0611 through 43.0619 to read as follows: <u>Sec. 43.0611. AUTHORITY TO ANNEX. A municipality may annex an area with a population of 200 or more only if the following conditions are met, as applicable:</u> <u>(1) the municipality holds an election in the area proposed to be annexed at which the qualified voters of the area may vote on the question of the annexation, and a majority of the votes received at the election approve the annexation; and</u> <u>(2) if the registered voters of the area do not own more than 50 percent of the land in the area, the municipality obtains consent to annex the area through a petition signed by more than 50 percent of the owners of land in the area.</u> <u>Sec. 43.0612. RESOLUTION. The governing body of the municipality that proposes to annex an area under this subchapter must adopt a resolution that includes:</u> <u>(1) a statement of the municipality's intent to annex the area;</u> <u>(2) a detailed description and map of the area to be annexed;</u> <u>and</u> | <i>No equivalent provision. (But see SECTION 24 below.)</i> | Same as House version. |

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(3) a description of the services to be provided by the municipality in the area after the annexation, including, as applicable:

(A) police protection;

(B) fire protection;

(C) emergency medical services;

(D) solid waste collection;

(E) operation and maintenance of water and wastewater facilities in the annexed area;

(F) operation and maintenance of roads and streets, including road and street lighting;

(G) operation and maintenance of parks, playgrounds, and swimming pools; and

(H) operation and maintenance of any other publicly owned facility, building, or service.

Sec. 43.0613. NOTICE OF PROPOSED ANNEXATION. Not later than the seventh day after the date the governing body of the municipality adopts the resolution under Section 43.0612, the municipality must mail to each property owner in the area proposed to be annexed notification of the proposed annexation that includes:

(1) notice of the public hearing required by Section 43.0614;

(2) notice that an election on the question of annexing the area will be held; and

(3) a description of the services to be provided by the municipality in the area after the annexation.

Sec. 43.0614. PUBLIC HEARINGS. (a) The governing body of a municipality must conduct at least two public hearings on the proposed annexation at which members of the public are given an opportunity to be heard.

(b) The governing body must conduct the first public hearing not earlier than the 21st day and not later than the 30th day

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after the date the governing body adopts the resolution under Section 43.0612.

(c) The governing body must conduct the second public hearing not earlier than the 31st day and not later than the 90th day after the date the governing body adopts a resolution under Section 43.0612.

Sec. 43.0615. PROPERTY OWNER CONSENT REQUIRED FOR CERTAIN AREAS. (a) If the registered voters in the area proposed to be annexed do not own more than 50 percent of the land in the area, the municipality must obtain consent to the annexation through a petition signed by more than 50 percent of the owners of land in the area in addition to the election required by this subchapter.

(b) The municipality must obtain the consent required by this section through the petition process prescribed by Section 43.0515, and the petition must be verified in the manner provided by Section 43.0516(a).

Sec. 43.0616. ELECTION. (a) A municipality shall order an election on the question of annexing an area to be held on the first uniform election date that falls on or after:

(1) the 90th day after the date the governing body of the municipality adopts the resolution under Section 43.0612; or

(2) if the consent of the owners of land in the area is required under Section 43.0615, the 78th day after the date the petition period to obtain that consent ends.

(b) An election under this section shall be held in the same manner as general elections of the municipality. The municipality shall pay for the costs of holding the election.

Sec. 43.0617. RESULTS OF ELECTION AND PETITION.

(a) Following an election held under this subchapter, the municipality must notify the residents of the area proposed to be annexed of the results of the election and, if applicable, of

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the petition required by Section 43.0615.

(b) If at the election held under this subchapter a majority of qualified voters do not approve the proposed annexation, or if the municipality is required to petition owners of land in the area under Section 43.0615 and does not obtain the required number of signatures, the municipality may not annex the area and may not adopt another resolution under Section 43.0612 to annex any part of the area until the first anniversary of the date of the adoption of the resolution.

(c) If at the election held under this subchapter a majority of qualified voters approve the proposed annexation, and if the municipality, as applicable, obtains the required number of petition signatures under Section 43.0615, the municipality may annex the area after:

(1) providing notice under Subsection (a);

(2) conducting a public hearing at which members of the public are given an opportunity to be heard; and

(3) conducting a final hearing not earlier than the 10th day after the date of the public hearing under Subdivision (2) at which the ordinance annexing the area may be adopted.

Sec. 43.0618. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON PETITION. If a petition protesting the annexation of an area under this subchapter is signed by a number of registered voters of the municipality proposing the annexation equal to at least 50 percent of the number of voters who voted in the most recent municipal election and is received by the municipal secretary before the date the election required by this subchapter is held, the municipality may not complete the annexation of the area without approval of a majority of the voters of the municipality voting at a separate election called and held for that purpose.

Sec. 43.0619. RETALIATION FOR ANNEXATION

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| <p><u>DISAPPROVAL PROHIBITED. (a) The disapproval of the proposed annexation of an area under this subchapter does not affect any existing legal obligation of the municipality proposing the annexation to continue to provide governmental services in the area, including water or wastewater services. (b) The municipality may not initiate a rate proceeding solely because of the disapproval of a proposed annexation of an area under this subchapter.</u></p> | | |
| <p>SECTION 15. Section 43.071(e), Local Government Code, is amended to read as follows:</p> <p>(e) Subsections <u>(b) and (c)</u> [(b)-(d)] do not apply to the annexation of:</p> <p>(1) an area within a water or sewer district if:</p> <p>(A) the governing body of the district consents to the annexation;</p> <p>(B) the owners in fee simple of the area to be annexed consent to the annexation; and</p> <p>(C) the annexed area does not exceed 525 feet in width at its widest point;</p> <p>(2) a water or sewer district that has a noncontiguous part that is not within the extraterritorial jurisdiction of the municipality; or</p> <p>(3) a part of a special utility district created or operating under Chapter 65, Water Code.</p> | <p><i>No equivalent provision.</i></p> | <p>Same as House version.</p> |
| <p><i>No equivalent provision.</i></p> | <p>SECTION 19. Section 43.061, Local Government Code, is amended to read as follows:</p> <p>Sec. 43.061. APPLICABILITY. <u>(a) Except as provided by Subsection (b), this</u> [This] subchapter applies <u>only</u> to an area</p> | <p>SECTION 20. Same as House version.</p> |

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that is proposed for annexation by a municipality wholly located in one or more counties each with a population of less than 500,000 and that is not required to be included in a municipal annexation plan under Section 43.052(h) [43.052].
(b) Unless otherwise specifically provided by this chapter, this subchapter does not apply to an area that is proposed for annexation by:
(1) a municipality wholly or partly located in a county with a population of 500,000 or more; or
(2) a municipality described by Subsection (a) that proposes to annex an area in a county with a population of 500,000 or more.

No equivalent provision.

SECTION 20. Section 43.062(a), Local Government Code, is amended to read as follows:
(a) Sections ~~[43.051,]~~ 43.054, 43.0545, 43.055, ~~[43.0565, 43.0567,]~~ and 43.057 apply to the annexation of an area to which this subchapter applies.

SECTION 21. Same as House version.

No equivalent provision.

SECTION 21. Section 43.064, Local Government Code, is amended to read as follows:
Sec. 43.064. PERIOD FOR COMPLETION OF ANNEXATION~~[:—EFFECTIVE—DATE]~~. ~~[(a)]~~ The annexation of an area must be completed within 90 days after the date the governing body institutes the annexation proceedings or those proceedings are void. Any period during which the municipality is restrained or enjoined by a court from annexing the area is not included in computing the 90-day period.
~~[(b) Notwithstanding any provision of a municipal charter to the contrary, the governing body of a municipality with a~~

SECTION 22. Same as House version.

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~~population of 1.6 million or more may provide that an annexation take effect on any date within 90 days after the date of the adoption of the ordinance providing for the annexation.]~~

No equivalent provision.

SECTION 22. Chapter 43, Local Government Code, is amended by adding Subchapter C-2 to read as follows:
SUBCHAPTER C-2. GENERAL ANNEXATION AUTHORITY AND PROCEDURES: MUNICIPALITIES WHOLLY OR PARTLY LOCATED IN COUNTY WITH POPULATION OF 500,000 OR MORE
Sec. 43.066. APPLICABILITY. This subchapter applies only to:
(1) a municipality wholly or partly located in a county with a population of 500,000 or more; and
(2) a municipality wholly located in one or more counties each with a population of less than 500,000 that proposes to annex an area in a county with a population of 500,000 or more.
Sec. 43.0661. AUTHORITY TO ANNEX NONCONTIGUOUS AREAS. A municipality may annex an area that is noncontiguous to the boundaries of the municipality if the area is in the municipality's extraterritorial jurisdiction.
Sec. 43.0662. PROVISION OF CERTAIN SERVICES TO ANNEXED AREA. (a) This section applies only to a municipality that includes solid waste collection services in the list of services that will be provided in the area proposed for annexation on or before the second anniversary of the effective date of the annexation of the area under a written agreement under Section 43.0672 or a resolution under

SECTION 23. Same as House version except omits provision regarding the authority to annex noncontiguous areas.

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Section 43.0682 or 43.0692.
(b) A municipality is not required to provide solid waste collection services to a person who continues to use the services of a privately owned solid waste management service provider as provided by Subsection (c).
(c) Before the second anniversary of the effective date of the annexation of an area, a municipality may not:
(1) prohibit the collection of solid waste in the area by a privately owned solid waste management service provider; or
(2) offer solid waste management services in the area unless a privately owned solid waste management service provider is unavailable. [FA17(3)]
Sec. 43.0664. EFFECT ON OTHER LAW. Subchapters C-3 through C-5 do not affect the procedures described by Section 397.005 or 397.006 applicable to a defense community as defined by Section 397.001.

No equivalent provision.

SECTION 23. Section 43.030, Local Government Code, is transferred to Subchapter C-2, Chapter 43, Local Government Code, as added by this Act, redesignated as ***Section 43.0663***, Local Government Code, and amended to read as follows:
Sec. 43.0663 [43.030]. AUTHORITY OF MUNICIPALITY WITH POPULATION OF 74,000 TO 99,700 IN URBAN COUNTY TO ANNEX SMALL, SURROUNDED GENERAL-LAW MUNICIPALITY. (a) Notwithstanding Subchapter C-4 or C-5, a [A] municipality that has a population of 74,000 to 99,700, that is located wholly or partly in a county with a population of more than 1.8 million, and that completely surrounds and is contiguous to a general-law municipality with a population of less than 600, may annex the general-law municipality as provided by this

SECTION 24. Substantially the same as House version.

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(b) The governing body of the smaller municipality may adopt an ordinance ordering an election on the question of consenting to the annexation of the smaller municipality by the larger municipality. The governing body of the smaller municipality shall adopt the ordinance if it receives a petition to do so signed by a number of qualified voters of the municipality equal to at least 10 percent of the number of voters of the municipality who voted in the most recent general election. If the ordinance ordering the election is to be adopted as a result of a petition, the ordinance shall be adopted within 30 days after the date the petition is received.

(c) The ordinance ordering the election must provide for the submission of the question at an election to be held on the first uniform election date prescribed by Chapter 41, Election Code, that occurs after the 30th day after the date the ordinance is adopted and that affords enough time to hold the election in the manner required by law.

(d) Within 10 days after the date on which the election is held, the governing body of the smaller municipality shall canvass the election returns and by resolution shall declare the results of the election. If a majority of the votes received is in favor of the annexation, the secretary of the smaller municipality or other appropriate municipal official shall forward by certified mail to the secretary of the larger municipality a certified copy of the resolution.

(e) The larger municipality, within 90 days after the date the resolution is received, must complete the annexation by ordinance in accordance with its municipal charter or the general laws of the state. If the annexation is not completed within the 90-day period, any annexation proceeding is void and the larger municipality may not annex the smaller

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municipality under this section. However, the failure to complete the annexation as provided by this subsection does not prevent the smaller municipality from holding a new election on the question to enable the larger municipality to annex the smaller municipality as provided by this section.

(f) If the larger municipality completes the annexation within the prescribed period, the incorporation of the smaller municipality is abolished. The records, public property, public buildings, money on hand, credit accounts, and other assets of the smaller municipality become the property of the larger municipality and shall be turned over to the officers of that municipality. The offices in the smaller municipality are abolished and the persons holding those offices are not entitled to further remuneration or compensation. All outstanding liabilities of the smaller municipality are assumed by the larger municipality.

(g) In the annexation ordinance, the larger municipality shall adopt, for application in the area zoned by the smaller municipality, the identical comprehensive zoning ordinance that the smaller municipality applied to the area at the time of the election. Any attempted annexation of the smaller municipality that does not include the adoption of that comprehensive zoning ordinance is void. That comprehensive zoning ordinance may not be repealed or amended for a period of 10 years unless the written consent of the landowners who own at least two-thirds of the surface land of the annexed smaller municipality is obtained.

(h) If the annexed smaller municipality has on hand any bond funds for public improvements that are not appropriated or contracted for, the funds shall be kept in a separate special fund to be used only for public improvements in the area for which the bonds were voted.

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- (i) On the annexation, all claims, fines, debts, or taxes due and payable to the smaller municipality become due and payable to the larger municipality and shall be collected by it. If taxes for the year in which the annexation occurs have been assessed in the smaller municipality before the annexation, the amounts assessed remain as the amounts due and payable from the inhabitants of the smaller municipality for that year.
- (j) This section does not affect a charter provision of a home-rule municipality. This section grants additional power to the municipality and is cumulative of the municipal charter.

No equivalent provision. (But see SECTIONS 5, 12, and 14 above.)

SECTION 24. Chapter 43, Local Government Code, is amended by adding Subchapters C-3, C-4, and C-5 to read as follows:

SUBCHAPTER C-3. ANNEXATION OF AREA ON REQUEST OF OWNERS: MUNICIPALITIES WHOLLY OR PARTLY LOCATED IN COUNTY WITH POPULATION OF 500,000 OR MORE

SUBCHAPTER C-4. ANNEXATION OF AREAS WITH POPULATION OF LESS THAN 200: MUNICIPALITIES WHOLLY OR PARTLY LOCATED IN COUNTY WITH POPULATION OF 500,000 OR MORE [FA3(1)]

SUBCHAPTER C-5. ANNEXATION OF AREAS WITH POPULATION OF AT LEAST 200: MUNICIPALITIES WHOLLY OR PARTLY LOCATED IN COUNTY WITH

SECTION 25. Same as House version except as follows:

Same as House version.

Substantially the same as House version.

SUBCHAPTER C-5.

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POPULATION OF 500,000 OR MORE

Sec. 43.069.

Sec. 43.0691. AUTHORITY TO ANNEX. A municipality may annex an area with a population of 200 or more only if the following conditions are met, as applicable:

(1) the municipality holds an election in the area proposed to be annexed at which the qualified voters of the area may vote on the question of the annexation and a majority of the votes received at the election approve the annexation; and

(2) if the registered voters of the area do not own more than 50 percent of the land in the area, the municipality obtains consent to annex the area through a petition signed by more than 50 percent of the owners of land in the area.

(b) Notwithstanding any other provision of this section, for an area within the extraterritorial jurisdiction of a municipality with a population of 1.8 million or more to be eligible for annexation, in addition to the requirements in subsection (a), the area to be annexed must receive full municipal police and fire services at the time of proposed annexation. [FA6]

Sec. 43.0692-43.0698.

Sec. 43.____. [FA3(2)]

SECTION 25. Subchapter D, Chapter 43, Local Government Code, is amended by adding Section 43.0711 to read as follows:

Sec. 43.0711. LIMITATION ON AUTHORITY OF

Sec. 43.069.

Sec. 43.0691. AUTHORITY TO ANNEX. (a) A municipality may annex an area with a population of 200 or more only if the following conditions are met, as applicable:

(1) the municipality holds an election in the area proposed to be annexed at which the qualified voters of the area may vote on the question of the annexation and a majority of the votes received at the election approve the annexation; and

(2) if the registered voters of the area do not own more than 50 percent of the land in the area, the municipality obtains consent to annex the area through a petition signed by more than 50 percent of the owners of land in the area.

In addition to the conditions under Subsection (a), a municipality with a population of 1.8 million or more may annex an area described by Subsection (a) only if the municipality provides full municipal police and fire services to the area on the date the area is annexed.

Sec. 43.0692-43.0698.

Sec. 43.0699.

SECTION 26. Subchapter D, Chapter 43, Local Government Code, is amended by adding Section 43.0711 to read as follows:

Sec. 43.0711. LIMITATION ON AUTHORITY OF

No equivalent provision.

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CERTAIN MUNICIPALITIES. (a) This section applies only to:

(1) a municipality wholly or partly located in a county with a population of 500,000 or more; and

(2) a municipality wholly located in one or more counties each with a population of less than 500,000 that proposes to annex an area in a county with a population of 500,000 or more.

(b) With respect to an industrial district designated by the governing body of a municipality under Section 42.044, the municipality may annex all or part of the district under the requirements applicable to a municipality wholly located in one or more counties each with a population of less than 500,000.

SECTION 26. Sections 43.0715(b) and (c), Local Government Code, are amended to read as follows:

(b) If a municipality with a population of less than 1.5 million annexes a special district for full or limited purposes and the annexation precludes or impairs the ability of the district to issue bonds, the municipality shall, prior to the effective date of the annexation, pay in cash to the landowner or developer of the district a sum equal to all actual costs and expenses incurred by the landowner or developer in connection with the district that the district has, in writing, agreed to pay and that would otherwise have been eligible for reimbursement from bond proceeds under the rules and requirements of the Texas [Natural—Resource—Conservation] Commission on Environmental Quality as such rules and requirements exist on the date of annexation. ~~[For an annexation that is subject to preclearance by a federal authority, a payment will be~~

CERTAIN MUNICIPALITIES. (a) This section applies only to:

(1) a municipality wholly or partly located in a county with a population of 500,000 or more; and

(2) a municipality wholly located in one or more counties each with a population of less than 500,000 that proposes to annex an area in a county with a population of 500,000 or more.

(b) With respect to an industrial district designated by the governing body of a municipality under Section 42.044, the municipality may annex all or part of the district under the requirements applicable to a municipality wholly located in one or more counties each with a population of less than 500,000 *that proposes to annex an area wholly located in a county with a population of less than 500,000.*

SECTION 27. Same as House version.

SECTION 16. Sections 43.0715(b) and (c), Local Government Code, are amended to read as follows:

(b) If a municipality with a population of less than 1.5 million annexes a special district for full or limited purposes and the annexation precludes or impairs the ability of the district to issue bonds, the municipality shall, prior to the effective date of the annexation, pay in cash to the landowner or developer of the district a sum equal to all actual costs and expenses incurred by the landowner or developer in connection with the district that the district has, in writing, agreed to pay and that would otherwise have been eligible for reimbursement from bond proceeds under the rules and requirements of the Texas [Natural—Resource—Conservation] Commission on Environmental Quality as such rules and requirements exist on the date of annexation. ~~[For an annexation that is subject to preclearance by a federal authority, a payment will be~~

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~~considered timely if the municipality: (i) escrows the reimbursable amounts determined in accordance with Subsection (c) prior to the effective date of the annexation; and (ii) subsequently causes the escrowed funds and accrued interest to be disbursed to the developer within five business days after the municipality receives notice of the preclearance.]~~

(c) At the time notice of the municipality's intent to annex the land within the district is first *published [in accordance with Section 43.052]*, the municipality shall proceed to initiate and complete a report for each developer conducted in accordance with the format approved by the Texas ~~[Natural Resource Conservation]~~ Commission on Environmental Quality for audits. In the event the municipality is unable to complete the report prior to the effective date of the annexation as a result of the developer's failure to provide information to the municipality which cannot be obtained from other sources, the municipality shall obtain from the district the estimated costs of each project previously undertaken by a developer which are eligible for reimbursement. The amount of such costs, as estimated by the district, shall be escrowed by the municipality for the benefit of the persons entitled to receive payment in an insured interest-bearing account with a financial institution authorized to do business in the state. To compensate the developer for the municipality's use of the infrastructure facilities pending the determination of the reimbursement amount ~~[or federal preclearance]~~, all interest accrued on the escrowed funds shall be paid to the developer whether or not the annexation is valid. Upon placement of the funds in the escrow account, the annexation may become effective. In the event a municipality timely escrows all estimated reimbursable amounts as required by this subsection

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~~considered timely if the municipality: (i) escrows the reimbursable amounts determined in accordance with Subsection (c) prior to the effective date of the annexation; and (ii) subsequently causes the escrowed funds and accrued interest to be disbursed to the developer within five business days after the municipality receives notice of the preclearance.]~~

(c) At the time notice of the municipality's intent to annex the land within the district is first *given [published] in accordance with Section 43.052, 43.0683, or 43.0693, as applicable*, the municipality shall proceed to initiate and complete a report for each developer conducted in accordance with the format approved by the Texas ~~[Natural Resource Conservation]~~ Commission on Environmental Quality for audits. In the event the municipality is unable to complete the report prior to the effective date of the annexation as a result of the developer's failure to provide information to the municipality which cannot be obtained from other sources, the municipality shall obtain from the district the estimated costs of each project previously undertaken by a developer which are eligible for reimbursement. The amount of such costs, as estimated by the district, shall be escrowed by the municipality for the benefit of the persons entitled to receive payment in an insured interest-bearing account with a financial institution authorized to do business in the state. To compensate the developer for the municipality's use of the infrastructure facilities pending the determination of the reimbursement amount ~~[or federal preclearance]~~, all interest accrued on the escrowed funds shall be paid to the developer whether or not the annexation is valid. Upon placement of the funds in the escrow account, the annexation may become effective. In the event a municipality timely escrows all

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and all such amounts, determined to be owed, including interest, are subsequently disbursed to the developer within five days of final determination in immediately available funds as required by this section, no penalties or interest shall accrue during the pendency of the escrow. Either the municipality or developer may, by written notice to the other party, require disputes regarding the amount owed under this section to be subject to nonbinding arbitration in accordance with the rules of the American Arbitration Association.

SECTION 17. Sections 43.072(b) and (d), Local Government Code, are amended to read as follows:

(b) A home-rule municipality having a common boundary with a district subject to this section may annex the area of the district if:

(1) the annexation complies with the requirements of Subchapter C or C-1, as applicable ~~[is approved by a majority of the qualified voters who vote on the question at an election held under this section]~~;

(2) the annexation is completed before the date that is one year after the date the petition period prescribed by Section 43.0515 ends or the date of the election under Section 43.0616, as applicable; and

(3) all the area of the district is annexed.

(d) Annexation of area under this section is exempt from the provisions of this chapter that prohibit:

(1) a municipality from annexing area outside its extraterritorial jurisdiction;

(2) annexation of area narrower than the minimum width prescribed by Section 43.02115 ~~[43.054]~~; or

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estimated reimbursable amounts as required by this subsection and all such amounts, determined to be owed, including interest, are subsequently disbursed to the developer within five days of final determination in immediately available funds as required by this section, no penalties or interest shall accrue during the pendency of the escrow. Either the municipality or developer may, by written notice to the other party, require disputes regarding the amount owed under this section to be subject to nonbinding arbitration in accordance with the rules of the American Arbitration Association.

No equivalent provision.

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Same as House version.

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(3) reduction of the extraterritorial jurisdiction of a municipality without the written consent of the municipality's governing body.

SECTION 18. Section 43.0751, Local Government Code, is amended by amending Subsections (b), (d), and (h) and adding Subsection (s) to read as follows:

(b) The governing bodies of a municipality and a district may negotiate and enter into a written strategic partnership agreement for the district by mutual consent. The governing body of a municipality, on written request from a district located in the municipality's extraterritorial jurisdiction [included in the municipality's annexation plan under Section 43.052], may [shall] negotiate and enter into a written strategic partnership agreement with the district. [A district included in a municipality's annexation plan under Section 43.052:

[(1) may not submit its written request before the date of the second hearing required under Section 43.0561; and

[(2) must submit its written request before the 61st day after the date of the second hearing required under Section 43.0561.]

(d) Before the governing body of a municipality or a district adopts a strategic partnership agreement, it shall conduct two public hearings at which members of the public who wish to present testimony or evidence regarding the proposed agreement shall be given the opportunity to do so. Notice of public hearings conducted by the governing body of a municipality under this subsection shall be published in a newspaper of general circulation in the municipality and in the district[. The notice must be in the format prescribed by

SECTION 27. Section 43.0751, Local Government Code, is amended by amending Subsection (h) and adding Subsections (s) and (t) to read as follows: [FA3(3)]

SECTION 28. SECTION 28. Section 43.0751, Local Government Code, is amended by amending Subsection (h) and adding Subsections (s) and (t) to read as follows:

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~~Section 43.123(b)]~~ and must be published at least once on or after the 20th day before ~~the [week]~~ date of each hearing. The notice may not be smaller than one-quarter page of a standard-size or tabloid-size newspaper, and the headline on the notice must be in 18-point or larger type. Notice of public hearings conducted by the governing body of a district under this subsection shall be given in accordance with the district's notification procedures for other matters of public importance. Any notice of a public hearing conducted under this subsection shall contain a statement of the purpose of the hearing, the date, time, and place of the hearing, and the location where copies of the proposed agreement may be obtained prior to the hearing. The governing bodies of a municipality and a district may conduct joint public hearings under this subsection, provided that at least one public hearing is conducted within the district.

(h) On the full-purpose annexation conversion date set forth in the strategic partnership agreement pursuant to Subsection ~~(f)(5) [(f)(5)(A)]~~, the land included within the boundaries of the district shall be deemed to be within the full-purpose boundary limits of the municipality without the need for further action by the governing body of the municipality. The full-purpose annexation conversion date established by a strategic partnership agreement may be altered only by mutual agreement of the district and the municipality. However, nothing herein shall prevent the municipality from terminating the agreement and instituting proceedings to annex the district, on request by the governing body of the district, on any date prior to the full-purpose annexation conversion date established by the strategic partnership agreement under the procedures prescribed by Subchapter C-1, as that subchapter

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(h) On the full-purpose annexation conversion date set forth in the strategic partnership agreement pursuant to Subsection ~~(f)(5) [(f)(5)(A)]~~, the land included within the boundaries of the district shall be deemed to be within the full-purpose boundary limits of the municipality without the need for further action by the governing body of the municipality. The full-purpose annexation conversion date established by a strategic partnership agreement may be altered only by mutual agreement of the district and the municipality. However, nothing herein shall prevent the municipality from terminating the agreement and instituting proceedings to annex the district, on request by the governing body of the district, on any date prior to the full-purpose annexation conversion date established by the strategic partnership agreement under the procedures applicable to a municipality wholly located in one

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(h) On the full-purpose annexation conversion date set forth in the strategic partnership agreement pursuant to Subsection ~~(f)(5) [(f)(5)(A)]~~, the land included within the boundaries of the district shall be deemed to be within the full-purpose boundary limits of the municipality without the need for further action by the governing body of the municipality. The full-purpose annexation conversion date established by a strategic partnership agreement may be altered only by mutual agreement of the district and the municipality. However, nothing herein shall prevent the municipality from terminating the agreement and instituting proceedings to annex the district, on request by the governing body of the district, on any date prior to the full-purpose annexation conversion date established by the strategic partnership agreement under the procedures applicable to a municipality wholly located in one

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~~existed on January 1, 2017. [Land annexed for limited or full purposes under this section shall not be included in calculations prescribed by Section 43.055(a).]~~

(s) Notwithstanding any other law, the procedures prescribed by *Subchapters C and C-1* do not apply to the *full-purpose* annexation of an area under this section. Except as provided by Subsection (h), a municipality shall follow the procedures established under the strategic partnership agreement for full-purpose annexation of an area under this section.

SECTION 19. Section 43.07515(a), Local Government Code, is amended to read as follows:

(a) A municipality may not regulate under Section 43.0751 ~~[or 43.0752]~~ the sale, use, storage, or transportation of fireworks outside of the municipality's boundaries.

No equivalent provision.

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or more counties each with a population of less than 500,000. Land annexed for limited or full purposes under this section shall not be included in calculations prescribed by Section 43.055(a).

(s) Notwithstanding any other law and except as provided by Subsection (t), the procedures prescribed by *Subchapters C-3, C-4, and C-5* do not apply to the annexation of an area under this section. [FA3(4)]

(t) This subsection applies only to a municipality with a population of less than 850,000 that is served by a municipally owned electric utility with 400,000 or more customers and that is wholly or partly located in a county with a population of 500,000 or more. Notwithstanding the provisions of this section, a municipality that annexes an area under a strategic partnership agreement executed on or after September 1, 2009, must annex the area in compliance with Subchapter C-3, C-4, or C-5. [FA3(5);FA1,3rd]

No equivalent provision.

SECTION 28. The heading to Section 43.101, Local

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or more counties each with a population of less than 500,000 that proposes to annex an area wholly located in a county with a population of less than 500,000. Land annexed for limited or full purposes under this section shall not be included in calculations prescribed by Section 43.055(a).

(s) Notwithstanding any other law and except as provided by Subsection (t), the procedures prescribed by *Subchapters C-3, C-4, and C-5* do not apply to the annexation of an area under this section. Except as provided by Subsections (h) and (t), a municipality shall follow the procedures established under the strategic partnership agreement for full-purpose annexation of an area under this section.

(t) This subsection applies only to a municipality with a population of less than 850,000 that is served by a municipally owned electric utility with 400,000 or more customers and that is wholly or partly located in a county with a population of 500,000 or more. Notwithstanding the provisions of this section, a municipality that annexes an area under a strategic partnership agreement executed on or after September 1, 2009, must annex the area in compliance with Subchapter C-3, C-4, or C-5.

Same as House version.

SECTION 29. Same as House version.

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| | Government Code, is amended to read as follows: Sec. 43.101. ANNEXATION OF MUNICIPALLY OWNED RESERVOIR [BY GENERAL-LAW MUNICIPALITY] . | |
| <i>No equivalent provision.</i> | SECTION 29. Section 43.101(c), Local Government Code, is amended to read as follows: (c) The area may be annexed without the consent of <u>any</u> the owners or residents of the area <u>under the procedures applicable to a municipality described by Subdivision (1) by:</u> <u>(1) a municipality wholly located in one or more counties each with a population of less than 500,000; and</u> <u>(2) if there are no owners other than the municipality or residents of the area:</u> <u>(A) a municipality wholly or partly located in a county with a population of 500,000 or more; and</u> <u>(B) a municipality described by Subdivision (1) that proposes to annex an area in a county with a population of 500,000 or more.</u> | SECTION 30. Same as House version. |
| SECTION 20. Section 43.101(d), Local Government Code, is amended to read as follows: (d) The municipality may annex the area even if part of the area is outside the municipality's extraterritorial jurisdiction or is narrower than the minimum width prescribed by Section <u>43.02115</u> [43.054] . [Section 43.055, which relates to the amount of area a municipality may annex in a calendar year, does not apply to the annexation.] | <i>No equivalent provision.</i> | Same as House version. |
| <i>No equivalent provision.</i> | SECTION 30. Section 43.102(c), Local Government Code, is amended to read as follows: (c) The area may be annexed without the consent of <u>any</u> the | SECTION 31. Section 43.102(c), Local Government Code, is amended to read as follows: (c) The area may be annexed without the consent of <u>any</u> the |

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owners or residents of the area under the procedures applicable to a municipality described by Subdivision (1) by:

- (1) a municipality wholly located in one or more counties each with a population of less than 500,000; and
- (2) if there are no owners other than the municipality or residents of the area:
 - (A) a municipality wholly or partly located in a county with a population of 500,000 or more; and
 - (B) a municipality described by Subdivision (1) that proposes to annex an area in a county with a population of 500,000 or more.

No equivalent provision.

SECTION 21. Section 43.102(d), Local Government Code, is amended to read as follows:

(d) The municipality may annex the area even if the area is outside the municipality's extraterritorial jurisdiction, is in another municipality's extraterritorial jurisdiction, or is narrower than the minimum width prescribed by Section 43.02115 [43.054]. ~~[Section 43.055, which relates to the amount of area a municipality may annex in a calendar year, does not apply to the annexation.]~~

SECTION 22. Sections 43.1025(c) and (g), Local Government Code, are amended to read as follows:

(c) Annexation of the [The] area described by Subsection (b) ~~[may be annexed without the consent of the owners or residents of the area, but the annexation]~~ may not occur unless each municipality in whose extraterritorial jurisdiction the area may be located:

SECTION 31. Section 43.1025(c), Local Government Code, is amended to read as follows:

(c) The area described by Subsection (b) may be annexed under the requirements applicable to a municipality wholly or partly located in a county with a population of 500,000 or more ~~[without the consent of the owners or residents of the area]~~, but the annexation may not occur unless each

owners or residents of the area under the procedures applicable to a municipality described by Subdivision (1) *that proposes to annex an area wholly located in a county with a population of less than 500,000* by:

- (1) a municipality wholly located in one or more counties each with a population of less than 500,000; and
- (2) if there are no owners other than the municipality or residents of the area:
 - (A) a municipality wholly or partly located in a county with a population of 500,000 or more; and
 - (B) a municipality described by Subdivision (1) that proposes to annex an area in a county with a population of 500,000 or more.

Same as House version.

SECTION 32. Same as House version.

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| <p>(1) consents to the annexation; and</p> <p>(2) reduces its extraterritorial jurisdiction over the area as provided by Section 42.023.</p> <p><i>(g) The municipality may annex the area if the area is narrower than the minimum width prescribed by Section 43.02115 [43.054]. [Section 43.055 does not apply to the annexation.]</i></p> <p><i>No equivalent provision.</i></p> | <p>municipality in whose extraterritorial jurisdiction the area may be located:</p> <p>(1) consents to the annexation; and</p> <p>(2) reduces its extraterritorial jurisdiction over the area as provided by Section 42.023.</p> <p>SECTION 32. The heading to Section 43.103, Local Government Code, is amended to read as follows: Sec. 43.103. ANNEXATION OF STREETS, HIGHWAYS, AND OTHER WAYS BY <u>CERTAIN</u> GENERAL-LAW MUNICIPALITIES [MUNICIPALITY].</p> <p>SECTION 33. Section 43.103(a), Local Government Code, is amended to read as follows: (a) <u>Subject to Section 43.1055(b), a [A] general-law municipality with a population of 500 or more wholly located in one or more counties each with a population of less than 500,000</u> may annex, by ordinance and without the consent of any person, the part of a street, highway, alley, or other public or private way, including a railway line, spur, or roadbed, that is adjacent and runs parallel to the boundaries of the municipality.</p> <p>SECTION 34. Section 43.105, Local Government Code, is amended by amending Subsection (a) and adding Subsection</p> | <p>SECTION 33. Same as House version.</p> <p>SECTION 34. Same as House version.</p> <p>SECTION 35. Same as House version.</p> |

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(a-1) to read as follows:
(a) This section applies only to:
(1) a [A] general-law municipality that:
(A) has a population of 1,066-1,067;
(B) [~~and~~] is wholly located in a county with a population of 85,000 or more and less than 500,000; and
(C) [~~that~~] is not adjacent to a county with a population of 2 million or more;[.] or
(2) a general-law municipality that:
(A) has a population of 6,000-6,025; and
(B) is wholly located in a county with a population of less than 500,000.
(a-1) Subject to Section 43.1055(b), a municipality described by Subsection (a) may annex, by ordinance and without the consent of any person, a public street, highway, road, or alley adjacent to the municipality.

No equivalent provision.

SECTION 35. Subchapter E, Chapter 43, Local Government Code, is amended by adding Section 43.1055 to read as follows:
Sec. 43.1055. ANNEXATION OF ROADS AND RIGHTS-OF-WAY IN CERTAIN LARGE COUNTIES. (a) Notwithstanding any other law, a municipality wholly or partly located in a county with a population of 500,000 or more may by ordinance annex a road or the right-of-way of a road on request of the owner of the road or right-of-way or the governing body of the political subdivision that maintains the road or right-of-way under the procedures applicable to a municipality wholly located in one or more counties each with a population of less than 500,000.

SECTION 36. Subchapter E, Chapter 43, Local Government Code, is amended by adding Section 43.1055 to read as follows:
Sec. 43.1055. ANNEXATION OF ROADS AND RIGHTS-OF-WAY IN CERTAIN LARGE COUNTIES. (a) Notwithstanding any other law, a municipality wholly or partly located in a county with a population of 500,000 or more may by ordinance annex a road or the right-of-way of a road on request of the owner of the road or right-of-way or the governing body of the political subdivision that maintains the road or right-of-way under the procedures applicable to a municipality wholly located in one or more counties each with a population of less than 500,000 *that proposes to annex an area wholly located in a county with a population of less*

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| | <p><u>(b) A municipality described by Section 43.103 or 43.105 that proposes to annex a road or right-of-way in a county with a population of 500,000 or more must comply with this section.</u></p> | <p><u>than 500,000.</u></p> <p><u>(b) A municipality described by Section 43.103 or 43.105 that proposes to annex a road or right-of-way in a county with a population of 500,000 or more must comply with this section.</u></p> |
| <p><i>No equivalent provision.</i></p> | <p>SECTION 36. Sections 43.121(a) and (c), Local Government Code, are amended to read as follows:</p> <p>(a) <u>Subject to Section 43.1211, the [The]</u> governing body of a home-rule municipality with more than 225,000 inhabitants by ordinance may annex an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area.</p> <p>(c) The provisions of this subchapter, other than <u>Sections 43.1211 and [Section]</u> 43.136, do not affect the authority of a municipality to annex an area for limited purposes under Section 43.136 or any other statute granting the authority to annex for limited purposes.</p> | <p>SECTION 37. Same as House version.</p> |
| <p>SECTION 23. Subchapter F, Chapter 43, Local Government Code, is amended by adding Section 43.1211 to read as follows:</p> <p><u>Sec. 43.1211. APPLICABILITY. This subchapter applies to an area that was annexed for a limited purpose as authorized before September 1, 2017.</u></p> | <p><i>No equivalent provision.</i></p> | <p>Same as House version.</p> |
| <p><i>No equivalent provision.</i></p> | <p>SECTION 37. Subchapter F, Chapter 43, Local Government Code, is amended by adding Section 43.1211 to read as follows:</p> <p><u>Sec. 43.1211. AUTHORITY OF MUNICIPALITIES</u></p> | <p>SECTION 38. Substantially the same as House version.</p> |

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WHOLLY OR PARTLY LOCATED IN COUNTY WITH POPULATION OF 500,000 OR MORE TO ANNEX FOR LIMITED PURPOSES. Except as provided by Section 43.0751, beginning September 1, 2017, a municipality to which Subchapter C-2 through C-5 applies may annex an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area using the procedures under Subchapter C-3, C-4, or C-5, as applicable. [FA2,3rd]

SECTION 24. Section 43.127(a), Local Government Code, is amended to read as follows:

(a) ~~On [Except as provided by Section 43.123(e), on] or before the date prescribed by the regulatory plan prepared for the limited purpose area [under Section 43.123(d)(2)], the municipality must annex the area for full purposes. [This requirement may be waived and the date for full purpose annexation postponed by written agreement between the municipality and a majority of the affected landowners. A written agreement to waive the municipality's obligation to annex the area for full purposes binds all future owners of land annexed for limited purposes pursuant to that waiver.]~~

No equivalent provision.

Same as House version.

SECTION 25. Sections 43.141(a) and (b), Local Government Code, are amended to read as follows:

(a) A majority of the qualified voters of an annexed area may petition the governing body of the municipality to disannex the area if the municipality fails or refuses to provide services or to cause services to be provided to the area as described by the written agreement under Section 43.0212 or the resolution under Section 43.0512 or 43.0612, as applicable

SECTION 38. Sections 43.141(a) and (b), Local Government Code, are amended to read as follows:

(a) A majority of the qualified voters of an annexed area may petition the governing body of the municipality to disannex the area if the municipality fails or refuses to provide services or to cause services to be provided to the area;
(1) if the municipality is wholly located in one or more counties each with a population of less than 500,000, within

SECTION 39. Same as House version except with regard to Subsection (a) which reads as follows:

(a) A majority of the qualified voters of an annexed area may petition the governing body of the municipality to disannex the area if the municipality fails or refuses to provide services or to cause services to be provided to the area;
(1) if the municipality is wholly located in one or more counties each with a population of less than 500,000, within

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~~[within the period specified by Section 43.056 or by the service plan prepared for the area under that section].~~

(b) If the governing body fails or refuses to disannex the area within 60 days after the date of the receipt of the petition, any one or more of the signers of the petition may bring a cause of action in a district court of the county in which the area is principally located to request that the area be disannexed. On the filing of an answer by the governing body, and on application of either party, the case shall be advanced and heard without further delay in accordance with the Texas Rules of Civil Procedure. The district court shall enter an order disannexing the area if the court finds that a valid petition was filed with the municipality and that the municipality failed to perform ~~[its obligations in accordance with the service plan or failed to perform]~~ in good faith.

SECTION 26. Section 43.201(2), Local Government Code, is amended to read as follows:

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the period specified by Section 43.056 or by the service plan prepared for the area under that section; or
(2) if the municipality is wholly or partly located in a county with a population of 500,000 or more or is a municipality described by Subdivision (1) that proposes to annex an area in a county with a population of 500,000 or more, within the period specified by the written agreement under Section 43.0672 or the resolution under Section 43.0682 or 43.0692, as applicable.

(b) If the governing body fails or refuses to disannex the area within 60 days after the date of the receipt of the petition, any one or more of the signers of the petition may bring a cause of action in a district court of the county in which the area is principally located to request that the area be disannexed. On the filing of an answer by the governing body, and on application of either party, the case shall be advanced and heard without further delay in accordance with the Texas Rules of Civil Procedure. The district court shall enter an order disannexing the area if the court finds that a valid petition was filed with the municipality and that the municipality failed to:

- (1) perform its obligations in accordance with:*
 - (A) the service plan under Section 43.056;*
 - (B) the written agreement entered into under Section 43.0672; or*
 - (C) the resolution adopted under Section 43.0682 or 43.0692, as applicable; or*
- (2) ~~[failed to]~~ perform in good faith.*

No equivalent provision.

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the period specified by Section 43.056 or by the service plan prepared for the area under that section; or
(2) if the municipality is wholly or partly located in a county with a population of 500,000 or more or is a municipality described by Subdivision (1) that annexed the area in a county with a population of 500,000 or more, within the period specified by the written agreement under Section 43.0672 or the resolution under Section 43.0682 or 43.0692, as applicable.

Same as House version.

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(2) "Limited-purpose annexation" means annexation authorized under former Section 43.121, as that section existed on January 1, 2017.

SECTION 27. Section 43.203(a), Local Government Code, is amended to read as follows:

(a) *This section applies only to* the [The] governing body of a district *that* by resolution *petitioned* ~~*may petition*~~ a municipality to alter the annexation status of land in the district from full-purpose annexation to limited-purpose annexation *and before September 1, 2017:*

(1) entered into an agreement to alter the status of annexation as provided by this section; or

(2) had its status automatically altered by operation of Subsection (c).

SECTION 39. Sections 43.203(a) and (b), Local Government Code, are amended to read as follows:

(a) *Notwithstanding any other law, the* [The] governing body of a district by resolution *may petition* a municipality to alter the annexation status of land in the district from full-purpose annexation to limited-purpose annexation.

(b) On receipt of the district's petition, the governing body of the municipality shall enter into negotiations with the district for an agreement to alter the status of annexation that must:

(1) specify the period, which may not be less than 10 years beginning on January 1 of the year following the date of the agreement, in which limited-purpose annexation is in effect;

(2) provide that, at the expiration of the period, the district's annexation status will automatically revert to full-purpose annexation without following procedures provided by Sections 43.014 and 43.052 ~~43.051~~ through 43.055 or any other procedural requirement for annexation not in effect on January 1, 1995; and

(3) specify the financial obligations of the district during and after the period of limited-purpose annexation for:

(A) facilities constructed by the municipality that are in or

SECTION 40. Same as House version.

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that serve the district;
(B) debt incurred by the district for water and sewer infrastructure that will be assumed by the municipality at the end of the period of limited-purpose annexation; and
(C) use of the municipal sales taxes collected by the municipality for facilities or services in the district.

SECTION 28. Section 43.905(a), Local Government Code, is amended to read as follows:

(a) A municipality that proposes to annex an area shall provide written notice of the proposed annexation to each public school district located in the area proposed for annexation within the period prescribed for providing ~~[publishing]~~ the notice of the first hearing under Section 43.0212, 43.0513, [43.0561] or 43.0613 [43.063], as applicable.

SECTION 29. Section 775.0754(d), Health and Safety Code, is amended to read as follows:

(d) A municipality that enters into an agreement under this section is not required to provide emergency services in that annexed territory. To the extent of a conflict between this subsection and ~~[Section 43.056, Local Government Code, or]~~ any other law, this subsection controls.

SECTION 30. Section 3833.209(e), Special District Local Laws Code, is amended to read as follows:

(e) The terms and conditions of the negotiated service plan bind the city for the period provided by Section 43.056(l),

SECTION 40. Section 43.905(a), Local Government Code, is amended to read as follows:

(a) A municipality that proposes to annex an area shall provide written notice of the proposed annexation to each public school district located in the area proposed for annexation within the period prescribed for providing ~~[publishing]~~ the notice of the first hearing under Section 43.0561, [or] 43.063, 43.0673, 43.0683, or 43.0693, as applicable.

No equivalent provision.

No equivalent provision.

SECTION 41. Same as House version.

Same as House version.

Same as House version.

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Local Government Code, as that section existed on January 1, 2017, and the developer, the developer's heirs, successors, and assigns, and any person taking title to all or a portion of the property annexed under the annexation petition for that period.

No equivalent provision.

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SECTION __. Subchapter Z, Chapter 43, Local Government Code, is amended by adding Section 43.9051 to read as follows:

Sec. 43.9051. EFFECT OF ANNEXATION ON PUBLIC ENTITIES. (a) In this section, "public entity" includes a county, fire protection service provider, including a volunteer fire department, emergency medical services provider, including a volunteer emergency medical services provider, or special district, as that term is defined by Section 43.052.

(b) A municipality that proposes to annex an area shall provide written notice of the proposed annexation within the period prescribed for providing the notice of the first hearing under Section 43.0561, 43.063, 43.0673, 43.0683, or 43.0693, as applicable, to each public entity that is located in or provides services to the area proposed for annexation.

(c) A municipality that proposes to enter into a strategic partnership agreement under Section 43.0751 shall provide written notice of the proposed agreement within the period prescribed for providing the notice of the first hearing under Section 43.0751 to each *public entity* that is located in or provides services to the area subject to the proposed agreement.

(d) A notice to a public entity shall contain a description of:

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SECTION 42. Subchapter Z, Chapter 43, Local Government Code, is amended by adding Section 43.9051 to read as follows:

Sec. 43.9051. EFFECT OF ANNEXATION ON PUBLIC ENTITIES **OR POLITICAL SUBDIVISIONS**. (a) In this section, "public entity" includes a county, fire protection service provider, including a volunteer fire department, emergency medical services provider, including a volunteer emergency medical services provider, or special district, as that term is defined by Section 43.052.

(b) A municipality that proposes to annex an area shall provide written notice of the proposed annexation within the period prescribed for providing the notice of the first hearing under Section 43.0561, 43.063, 43.0673, 43.0683, or 43.0693, as applicable, to each public entity that is located in or provides services to the area proposed for annexation.

(c) A municipality that proposes to enter into a strategic partnership agreement under Section 43.0751 shall provide written notice of the proposed agreement within the period prescribed for providing the notice of the first hearing under Section 43.0751 to each *political subdivision* that is located in or provides services to the area subject to the proposed agreement.

(d) A notice to a public entity **or political subdivision** shall contain a description of:

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- (1) the area proposed for annexation;
(2) any financial impact on the entity resulting from the annexation, including any changes in the entity's revenues or maintenance and operation costs; and

(3) any proposal the municipality has to abate, reduce, or limit any financial impact on the entity.

(e) The municipality may not proceed with the annexation unless the municipality provides the required notice under this section. [FA19]

- (1) the area proposed for annexation;
(2) any financial impact on the *public* entity *or political subdivision* resulting from the annexation, including any changes in the *public* entity's or *political subdivision's* revenues or maintenance and operation costs; and
(3) any proposal the municipality has to abate, reduce, or limit any financial impact on the *public* entity or *political subdivision*.
(e) The municipality may not proceed with the annexation unless the municipality provides the required notice under this section.

No equivalent provision.

SECTION __. Subchapter Z, Chapter 43, Local Government Code, is amended by adding Section 43.908 to read as follows: [FA21]
Sec. 43.908. REGULATION IN EXTRATERRITORIAL JURISDICTION NEAR MILITARY BASE; MUNICIPAL REGULATORY AUTHORITY. Notwithstanding Section 212.003 or another provision of law, the governing body of a municipality by ordinance may extend the application of the municipality's ordinances regulating land use to an area within the extraterritorial jurisdiction of the municipality and located within five miles of an active military base. [FA21,FA22(1)]
(c) Notwithstanding any other law, if the most recent Joint Land Use Study recommends municipal regulation of land use in an area surrounding a military base, the municipality may adopt an ordinance regulating land use in the area in the manner recommended by the study. [FA21,FA22(2)]

Same as Senate version.

No equivalent provision.

SECTION __. Subchapter Z, Chapter 43, Local Government

Same as House version.

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Code, is amended by adding Section 43.909 to read as follows:

Sec. 43.909. FINANCIAL ASSISTANCE TO MULTIFAMILY HOUSING PROJECT DEVELOPER. Notwithstanding any other law, a municipality that is annexing an area or that retains control over an area in which a multifamily housing development project is located may authorize the municipality's economic development corporation to provide financial assistance to the developer of the project, and the corporation may provide that assistance. [FA14]

No equivalent provision.

SECTION __. Section 8395.151, Special District Local Laws Code, is amended to read as follows:

Sec. 8395.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a [A] municipality that plans to [may] annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:
(1) Travis County Municipal Utility District No. 4;
(2) Travis County Municipal Utility District No. 5;
(3) Travis County Municipal Utility District No. 6;
(4) Travis County Municipal Utility District No. 7;
(5) Travis County Municipal Utility District No. 8;
(6) Travis County Municipal Utility District No. 9; and
(7) Travis County Water Control and Improvement District No. 19.
(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

SECTION 43. Same as House version.

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(c) The municipality may annex the territory described by the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.
(d) The municipality seeking annexation shall pay the costs of the elections held under this section [on the earlier of:
[1) the installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to:
[(A) provide service to the proposed development within the district;
[(B) accomplish the purposes for which the district was created; and
[(C) exercise the powers provided by general law and this chapter; or
[(2) the 20th anniversary of the date the district was confirmed]. [FA8]

No equivalent provision.

SECTION __. Section 8396.151, Special District Local Laws Code, is amended to read as follows:
Sec. 8396.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a [A] municipality that plans to [may] annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:
(1) Travis County Municipal Utility District No. 3;
(2) Travis County Municipal Utility District No. 5;
(3) Travis County Municipal Utility District No. 6;
(4) Travis County Municipal Utility District No. 7;
(5) Travis County Municipal Utility District No. 8;
(6) Travis County Municipal Utility District No. 9; and

SECTION 44. Same as House version.

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(7) Travis County Water Control and Improvement District No. 19.

(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) The municipality may annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) The municipality seeking annexation shall pay the costs of the elections held under this section [on the earlier of:

[1) the installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to:

[(A) provide service to the proposed development within the district;

[(B) accomplish the purposes for which the district was created; and

[(C) exercise the powers provided by general law and this chapter; or

[(2) the 20th anniversary of the date the district was confirmed]. [FA8]

No equivalent provision.

SECTION __. Section 8397.151, Special District Local Laws Code, is amended to read as follows:

Sec. 8397.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a [A] municipality that plans to [may] annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:

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(1) Travis County Municipal Utility District No. 3;
(2) Travis County Municipal Utility District No. 4;
(3) Travis County Municipal Utility District No. 6;
(4) Travis County Municipal Utility District No. 7;
(5) Travis County Municipal Utility District No. 8;
(6) Travis County Municipal Utility District No. 9; and
(7) Travis County Water Control and Improvement District
No. 19.
(b) On receipt of a resolution described by Subsection (a), the
district and each of the districts listed in Subsection (a) shall
call an election to be held on the next uniform election date on
the question of whether the annexation should be authorized.
(c) The municipality may annex the territory described in the
resolution only if a majority of the total number of voters
voting in all of the districts' elections vote in favor of
authorizing the annexation.
(d) The municipality seeking annexation shall pay the costs of
the elections held under this section [on the earlier of:
[(1) the installation of 90 percent of all works, improvements,
facilities, plants, equipment, and appliances necessary and
adequate to:
[(A) provide service to the proposed development within the
district;
[(B) accomplish the purposes for which the district was
created; and
[(C) exercise the powers provided by general law and this
chapter; or
[(2) the 20th anniversary of the date the district was
confirmed]. [FA8]

No equivalent provision.

SECTION __. Section 8398.151, Special District Local Laws

SECTION 46. Same as House version.

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Code, is amended to read as follows:

Sec. 8398.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a [A] municipality that plans to [may] annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:

- (1) Travis County Municipal Utility District No. 3;
- (2) Travis County Municipal Utility District No. 4;
- (3) Travis County Municipal Utility District No. 5;
- (4) Travis County Municipal Utility District No. 7;
- (5) Travis County Municipal Utility District No. 8;
- (6) Travis County Municipal Utility District No. 9; and
- (7) Travis County Water Control and Improvement District No. 19.

(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) The municipality may annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) The municipality seeking annexation shall pay the costs of the elections held under this section [on the earlier of:

(1) the installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to:

[(A) provide service to the proposed development within the district;

[(B) accomplish the purposes for which the district was created; and

[(C) exercise the powers provided by general law and this

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~~chapter; or~~
~~[(2) the 20th anniversary of the date the district was~~
~~confirmed]. [FA8]~~

No equivalent provision.

SECTION __. Section 8399.151, Special District Local Laws Code, is amended to read as follows:
Sec. 8399.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a [A] municipality that plans to [may] annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:
(1) Travis County Municipal Utility District No. 3;
(2) Travis County Municipal Utility District No. 4;
(3) Travis County Municipal Utility District No. 5;
(4) Travis County Municipal Utility District No. 6;
(5) Travis County Municipal Utility District No. 8;
(6) Travis County Municipal Utility District No. 9; and
(7) Travis County Water Control and Improvement District No. 19.
(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.
(c) The municipality may annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.
(d) The municipality seeking annexation shall pay the costs of the elections held under this section [on the earlier of:
~~[(1) the installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and~~

SECTION 47. Same as House version.

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adequate to:
~~[(A) provide service to the proposed development within the district;~~
~~[(B) accomplish the purposes for which the district was created; and~~
~~[(C) exercise the powers provided by general law and this chapter; or~~
~~[(2) the 20th anniversary of the date the district was confirmed]. [FA8]~~

No equivalent provision.

SECTION __. Section 8400.151, Special District Local Laws Code, is amended to read as follows:
Sec. 8400.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a [A] municipality that plans to [may] annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:
(1) Travis County Municipal Utility District No. 3;
(2) Travis County Municipal Utility District No. 4;
(3) Travis County Municipal Utility District No. 5;
(4) Travis County Municipal Utility District No. 6;
(5) Travis County Municipal Utility District No. 7;
(6) Travis County Municipal Utility District No. 9; and
(7) Travis County Water Control and Improvement District No. 19.
(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.
(c) The municipality may annex the territory described in the resolution only if a majority of the total number of voters

SECTION 48. Same as House version.

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voting in all of the districts' elections vote in favor of authorizing the annexation.
(d) The municipality seeking annexation shall pay the costs of the elections held under this section ~~[on the earlier of:~~
~~[(1) the installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to:~~
~~[(A) provide service to the proposed development within the district;~~
~~[(B) accomplish the purposes for which the district was created; and~~
~~[(C) exercise the powers provided by general law and this chapter; or~~
~~[(2) the 20th anniversary of the date the district was confirmed].~~ [FA8]

No equivalent provision.

SECTION __. Section 8401.151, Special District Local Laws Code, is amended to read as follows:
Sec. 8401.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a [A] municipality that plans to [may] annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:
(1) Travis County Municipal Utility District No. 3;
(2) Travis County Municipal Utility District No. 4;
(3) Travis County Municipal Utility District No. 5;
(4) Travis County Municipal Utility District No. 6;
(5) Travis County Municipal Utility District No. 7;
(6) Travis County Municipal Utility District No. 8; and
(7) Travis County Water Control and Improvement District No. 19.

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(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.
(c) The municipality may annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.
(d) The municipality seeking annexation shall pay the costs of the elections held under this section [on the earlier of:
[1) the installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to:
[(A) provide service to the proposed development within the district;
[(B) accomplish the purposes for which the district was created; and
[(C) exercise the powers provided by general law and this chapter; or
[(2) the 20th anniversary of the date the district was confirmed]. [FA8]

SECTION 31. Section 8489.109, Special District Local Laws Code, is amended to read as follows:
Sec. 8489.109. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT. For the purposes of any [Section 43.021(2), Local Government Code, or other] law, including a municipal charter or ordinance relating to annexation, an area adjacent to the district or any new district created by the division of the district is considered adjacent to a municipality in whose corporate limits or extraterritorial jurisdiction any of the land

SECTION 41. Section 8489.109, Special District Local Laws Code, is amended to read as follows:
Sec. 8489.109. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT. For the purposes of Section 43.003(2) [43.021(2)], Local Government Code, or other law, including a municipal charter or ordinance relating to annexation, an area adjacent to the district or any new district created by the division of the district is considered adjacent to a municipality in whose corporate limits or extraterritorial jurisdiction any of

SECTION 50. Same as House version.

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| SENATE VERSION | HOUSE VERSION (IE) | CONFERENCE |
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| in the area described by Section 2 of the Act enacting this chapter is located. | the land in the area described by Section 2 of the Act enacting this chapter is located. | |
| <p>SECTION 32. Section 9038.110, Special District Local Laws Code, is amended to read as follows:</p> <p>Sec. 9038.110. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT. For the purposes of <u>any</u> [Section 43.021(2), Local Government Code, or other] law, including a municipal charter or ordinance relating to annexation, an area adjacent to the district or any new district created by the division of the district is considered adjacent to a municipality in whose corporate limits or extraterritorial jurisdiction any of the land in the area described by Section 2 of the Act creating this chapter is located.</p> | <p>SECTION 42. Section 9038.110, Special District Local Laws Code, is amended to read as follows:</p> <p>Sec. 9038.110. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT. For the purposes of <u>Section 43.003(2) [43.021(2)]</u>, <i>Local Government Code, or other</i> law, including a municipal charter or ordinance relating to annexation, an area adjacent to the district or any new district created by the division of the district is considered adjacent to a municipality in whose corporate limits or extraterritorial jurisdiction any of the land in the area described by Section 2 of the Act creating this chapter is located.</p> | <p>SECTION 51. Same as House version.</p> |
| <p>SECTION 33. Section 9039.110, Special District Local Laws Code, is amended to read as follows:</p> <p>Sec. 9039.110. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT. For the purposes of <u>any</u> [Section 43.021(2), Local Government Code, or other] law, including a municipal charter or ordinance relating to annexation, an area adjacent to the district or any new district created by the division of the district is considered adjacent to a municipality in whose corporate limits or extraterritorial jurisdiction any of the land in the area described by Section 2 of the Act creating this chapter is located.</p> | <p>SECTION 43. Section 9039.110, Special District Local Laws Code, is amended to read as follows:</p> <p>Sec. 9039.110. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT. For the purposes of <u>Section 43.003(2) [43.021(2)]</u>, <i>Local Government Code, or other</i> law, including a municipal charter or ordinance relating to annexation, an area adjacent to the district or any new district created by the division of the district is considered adjacent to a municipality in whose corporate limits or extraterritorial jurisdiction any of the land in the area described by Section 2 of the Act creating this chapter is located.</p> | <p>SECTION 52. Same as House version.</p> |
| <p><i>No equivalent provision.</i></p> | <p>SECTION __. Subtitle I, Title 6, Special District Local Laws Code, is amended by adding Chapter 9073 to read as follows:</p> | <p>SECTION 53. Same as House version.</p> |

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CHAPTER 9073. TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 19; ANNEXATION

Sec. 9073.001. DEFINITION. In this chapter, "district"
means the Travis County Water Control and Improvement
District No. 19.

Sec. 9073.002. ANNEXATION BY MUNICIPALITY. (a)
The governing body of a municipality that plans to annex all
or part of the district first must adopt a resolution of intention
to annex all or part of the district and transmit that resolution
to the district and the following districts:

- (1) Travis County Municipal Utility District No. 3;
- (2) Travis County Municipal Utility District No. 4;
- (3) Travis County Municipal Utility District No. 5;
- (4) Travis County Municipal Utility District No. 6;
- (5) Travis County Municipal Utility District No. 7;
- (6) Travis County Municipal Utility District No. 8; and
- (7) Travis County Municipal Utility District No. 9.

(b) On receipt of a resolution described by Subsection (a), the
district and each of the districts listed in Subsection (a) shall
call an election to be held on the next uniform election date on
the question of whether the annexation should be authorized.

(c) The municipality may annex the territory described in the
resolution only if a majority of the total number of voters
voting in all of the districts' elections vote in favor of
authorizing the annexation.

(d) The municipality seeking annexation shall pay the costs of
the elections held under this section. [FA8]

SECTION 34. (a) Sections *42.0411, 43.022, 43.023, 43.024,*
43.025, 43.028, 43.030, 43.032, 43.033, 43.034, 43.035(c),
43.036, 43.052, 43.053, 43.0545, 43.0546, *43.055, 43.056,*

SECTION 44. (a) Sections 43.036, 43.0546, *43.056(d), (h),*
and (p), 43.0565, 43.0567, 43.1025(e) *and (g),* and 43.906,
Local Government Code, are repealed.

SECTION 54. (a) Same as House version.

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43.0561, 43.0562, 43.0563, 43.0564, 43.0565, 43.0567, 43.057, 43.061, 43.062, 43.063, 43.064, 43.065, 43.071(d), (f), and (g), 43.072(c), (e), (g), (h), (i), (j), (k), (l), and (m), 43.0751(o), 43.0752, 43.101(c), 43.102(c), 43.1025(e), 43.103, 43.105, 43.121, 43.122, 43.123, 43.124, 43.125, 43.126, 43.129, 43.132, 43.147, and 43.906, Local Government Code, are repealed.

(b) Subchapter Y, Chapter 43, Local Government Code, is repealed.

(c) Sections 8374.252(a), 8375.252(a), 8376.252(a), 8377.252(a), 8378.252(a), 8382.252(a), 8383.252(a), 8384.252(a), 8385.252(a), and 8477.302(a), Special District Local Laws Code, are repealed.

(d) Section 5.701(n)(6), Water Code, is repealed.

(b) Section 5.701(n)(6), Water Code, is repealed.

(c) The repeal of Section 43.036, Local Government Code, by this Act does not affect a boundary change agreement entered into under that section, the release and transfer of area under a boundary change agreement entered into under that section, or the requirements related to a boundary change agreement entered into under that section.

(d) The repeal of Sections 43.056(d), (h), and (p) and Sections 43.0565 and 43.0567, Local Government Code, by this Act and the change in law made by this Act to Section 43.056(l), Local Government Code, do not affect a right, requirement, limitation, or remedy provided for under those sections and applicable in an area annexed by a municipality for which the first hearing notice required by Section 43.0561 or 43.063, Local Government Code, as applicable, was published before September 1, 2017.

(b) Same as House version.

(c) Same as House version.

(d) The repeal of Sections 43.056(d), (h), and (p) and Sections 43.0565 and 43.0567, Local Government Code, by this Act and the change in law made by this Act to Sections 43.056(l) and (n), Local Government Code, do not affect a right, requirement, limitation, or remedy provided for under those sections and applicable in an area annexed by a municipality for which the first hearing notice required by Section 43.0561 or 43.063, Local Government Code, as applicable, was published before September 1, 2017.

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SECTION 35. The governing body of a municipality that has designated any part of its extraterritorial jurisdiction as an industrial district under Section 42.044, Local Government Code, before, on, or after the effective date of this Act may annex all or part of the designated area pursuant to the authority granted by the municipality's home-rule charter. Notwithstanding Section 43.021, Local Government Code, as amended by this Act, the authority of a municipality to annex all or part of the area described by this section is governed solely by the municipality's home-rule charter and is not subject to any restrictions or procedural requirements imposed by Chapter 43, Local Government Code, as amended by this Act.

SECTION 36. The changes in law made by this Act do not apply to an area that is the subject of an agreement between a municipality with a population *between* 1.3 million and 1.5 million and a municipality with a population *between* 18,050 and 18,200 that contains a plan that is approved by the municipalities before the effective date of this Act for phased boundary adjustments between the municipalities, releases of extraterritorial jurisdiction by the more populous municipality, and annexations by the less populous municipality. A municipal boundary adjustment, release of extraterritorial jurisdiction, or annexation contained in a plan under an agreement described by this section is governed by the law in effect at the time the agreement was approved by the municipalities, and the former law is continued in effect for that purpose.

HOUSE VERSION (IE)

No equivalent provision.

No equivalent provision.

CONFERENCE

SECTION 55. The changes in law made by this Act do not apply to an area that is the subject of an agreement between a municipality with a population *of more than* 1.3 million and *less than* 1.5 million *according to the 2010 federal decennial census* and a municipality with a population *of more than* 18,050 and *less than* 18,200 *according to the 2010 federal decennial census* that contains a plan that is approved by the municipalities before the effective date of this Act for phased boundary adjustments between the municipalities, releases of extraterritorial jurisdiction by the more populous municipality, and annexations by the less populous municipality. A municipal boundary adjustment, release of extraterritorial jurisdiction, or annexation contained in a plan under an agreement described by this section is governed by the law in effect at the time the agreement was approved by the municipalities, and the former law is continued in effect for that purpose.

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| <i>No equivalent provision.</i> | SECTION __. Saving provision. [FA11] | SECTION 56. Substantially the same as House version. |
| SECTION 37. Saving provision. | SECTION 45. Same as Senate version. | SECTION 57. Same as Senate version. |
| SECTION 38. Effective date. | SECTION 46. Same as Senate version. | SECTION 58. Same as Senate version. |

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 27, 2017

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB715 by Campbell (Relating to municipal annexation.), **Conference Committee Report**

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| No significant fiscal implication to the State is anticipated. |
|---|

The bill would amend the Local Government Code to add subchapters regulating the annexation authority and procedures of certain municipalities.

The provisions of the bill would have no direct implication to the operations of state government.

The bill would take effect September 1, 2017.

Local Government Impact

According to the Texas Municipal League, the fiscal implication of this bill cannot be determined but would be significant to municipalities. The framework for annexation following passage of the bill would substantially reduce the ability of municipalities to annex areas surrounding their boundaries.

Source Agencies:

LBB Staff: UP, SD, JGA, GG, GP, SZ, BM